

- 9 Rent is paid by a business monthly in advance on the first day of each month. The payments during a financial year were as follows.

up to and including 1 June	\$500 per month
from 1 July	\$600 per month

Which amounts will appear in the financial statements for the year ended 31 October?

	income statement	statement of financial position
<b>A</b>	\$6300	\$600 other receivables
<b>B</b>	\$6300	\$600 other payables
<b>C</b>	\$6400	—
<b>D</b>	\$6500	—

- 10 What is the effect on profit for the year and net assets when accrued expenses are understated?

	profit for the year	net assets
<b>A</b>	overstated	overstated
<b>B</b>	overstated	understated
<b>C</b>	understated	overstated
<b>D</b>	understated	understated

- 11 Ali's trade receivables at 31 December 2019 were \$26 500. He knew that \$400 of these were irrecoverable.

He wished to maintain a provision for doubtful debts equal to 5% of the trade receivables.

At 1 January 2019 the balance of the provision for doubtful debts was \$1200.

Which entry does Ali make in the provision for doubtful debts account at 31 December 2019?

- A** \$105 credit
- B** \$105 debit
- C** \$125 credit
- D** \$125 debit