

- 1 A business provides the following information.

	debit \$	credit \$
prepaid expenses	4 620	
accrued expenses		8 125
bank balances	14 920	3 612
trade payables		18 148
loan (10 years)		15 000

What is the total for current liabilities?

- A** \$26 273 **B** \$26 380 **C** \$29 885 **D** \$44 885
- 2 The provision for doubtful debts at 1 January 2013 was \$1580.
- Trade receivables at 31 December 2013 were \$44 750.
- An irrecoverable debt of \$12 500 had not been written off.
- The provision for doubtful debts was 5%.
- Which entry for doubtful debts was included in the income statement for the year ended 31 December 2013?
- A** credit \$32.50
B credit \$657.50
C debit \$32.50
D debit \$657.50
- 3 On 1 October 2011 a company purchased machinery for \$26 000. It was depreciated at a rate of 20% per annum using the reducing balance method.
- On 30 September 2013 the machinery was sold for \$12 000.
- What is the profit or loss on disposal?
- A** \$3600 loss **B** \$3600 profit **C** \$4640 loss **D** \$4640 profit