

- 12 The following financial information is available for a business.

	\$
draft profit for the year	12 650
closing capital	52 780

The following error has been discovered in the accounting system.

Private fuel costs, \$1930, had been charged in the business motor expenses account.

What are the final figures for the year?

	profit for the year \$	capital \$
A	10 720	50 850
B	10 720	54 710
C	14 580	52 780
D	14 580	54 710

- 13 A creditor for \$720 transferred from the purchases ledger has been entered on the wrong side of the sales ledger control account.

The sales ledger control account has a closing balance of \$92 460, before correcting the transfer. A provision for doubtful debts of \$1000 is to be made.

What is the correct balance on the sales ledger control account?

A \$90 020 **B** \$91 020 **C** \$91 740 **D** \$92 180

- 14 Draft financial statements showed revenue of \$106 000 and closing inventory of \$2100.

There were 100 items which had cost \$10 an item but which were for sale at \$6 an item. At the year end these were with a customer on a sale or return basis. These items were treated as having been sold although no sale had been agreed.

What were the values of revenue and inventory when the principle of prudence is applied?

	revenue \$	inventory \$
A	105 000	2700
B	105 000	3100
C	105 400	2700
D	105 400	3100