9 Why does a trader account for accrued income?

A so that current liabilities are not overstated

B so that current liabilities are not understated

C so that profit is not overstated

D so that profit is not understated

10 A sole trader provided the following financial information for the year ended 31 December 2018.

	$
purchases	95 000
returns inwards	3 300
returns outwards	2 100
inventory withdrawn for personal use	5 000

Inventory on 31 December 2018 was valued at $1000 more than on 1 January 2018.

What was the cost of sales?

A $85 700   **B** $86 900   **C** $89 000   **D** $97 100

11 A trader has suffered inventory losses due to theft during the year.

What is necessary to calculate the value of the inventory stolen?

1 amounts banked for sales and spent on purchases

2 amounts spent for business expenses

3 inventory at the beginning and end of the year

4 percentage of mark-up on purchase price

A 1, 2 and 3   **B** 1, 2 and 4   **C** 1, 3 and 4   **D** 2, 3 and 4