

- 6 What will always be classified in a Balance Sheet as a current liability?
- A debentures
 - B preference shares
 - C prepaid expense
 - D proposed dividend
- 7 There is great uncertainty about the continuance of a business. This has caused the proprietor to make a large reduction in the valuation of the year-end stock.

Which accounting concept does this illustrate?

- A going concern
 - B matching
 - C materiality
 - D substance over form
- 8 The table shows information from the books of a business at 30 April 2002.

| invoiced | \$ |
|---|--------|
| Credit sales invoiced during financial year | 79 000 |
| Goods sent to customers on 28 April 2002 and invoiced 4 May 2002 | 6 100 |
| Goods sent to customers during April 2002 on sale or return basis but not sold by 30 April 2002 | 8 300 |

What is the amount to be credited to the Trading Account as sales for the year ended 30 April 2002?

- A \$76 800 B \$85 100 C \$85 300 D \$93 400