

- 5 The table shows information about a business.

	\$
provision for doubtful debts at 1 January 2012	700
trade receivables at 31 December 2012 (after writing off a bad debt of \$30)	15 000
charge to income statement for bad and doubtful debts for year ended 31 December 2012 (including the bad debt written off)	200

What is the total percentage provision that has been made for doubtful debts at 31 December 2012?

- A** 3.5%      **B** 4.7%      **C** 5.8%      **D** 6.0%

- 6 The following information is extracted from the statement of financial position of a business.

	\$
bank loan (repayable 2019)	16 200
bank loan interest owing	1 880
bank overdraft	11 600
capital	20 710
drawings	19 100
inventory	14 610
prepayments	1 420
trade payables	14 110
trade receivables	9 050

What is the value of the net current liabilities?

- A** \$1590      **B** \$2510      **C** \$18 710      **D** \$20 320

- 7 A business sells computers. When they value their inventory they exclude the value of the inventory that is over one year old, as they may be obsolete.

Which accounting principle does this demonstrate?

- A** going concern  
**B** historical cost  
**C** prudence  
**D** realisation