

- 5 A business is separate from its owner. This results in only business transactions being recorded in the accounts.

Which accounting principle applies?

- A business entity
- B materiality
- C money measurement
- D prudence

- 6 At 31 March the balance sheet of a company included the following.

	\$
trade debtors	23 000
provision for doubtful debts	1 200

During April credit sales were \$64 000 and cash sales were \$256 000. Credit customers paid \$56 840 net of a 2 % cash discount.

What will be the trade debtors at 30 April?

- A \$27 800      B \$28 960      C \$29 000      D \$30 160

- 7 Stock has been damaged.

The stock cost \$1200.

It would normally have sold for \$1800.

It can be sold for \$1700 if repairs are undertaken at a cost of \$600.

To replace the stock would cost \$1000.

At what value should the damaged stock be shown in the final accounts?

- A \$1000      B \$1100      C \$1200      D \$1800

- 8 A business has discovered several errors in its sales ledger. All the accounts in the other ledgers have been entered correctly.

Which error will **not** affect the agreement of the trial balance?

- A A sale to Clark of \$2000 was debited to Clarkson's account.
- B A sale to Garcia of \$100 was entered in Garcia's account as \$1000.
- C A sale to Wong of \$4700 was omitted from Wong's account.
- D A sales return of \$1200 was debited to Khan's account.