

- 5 Fred wishes to identify the unpresented cheques of his business.

Which side of the cash book and which column of the bank statement does he need to compare?

	cash book	bank statement
<b>A</b>	credit side	credit column
<b>B</b>	credit side	debit column
<b>C</b>	debit side	credit column
<b>D</b>	debit side	debit column

- 6 How is a decrease in the provision for doubtful debts recorded?

	in the income statement	in the provision for doubtful debts account
<b>A</b>	added to gross profit	credit
<b>B</b>	added to gross profit	debit
<b>C</b>	subtracted from gross profit	credit
<b>D</b>	subtracted from gross profit	debit

- 7 A company's year-end is 30 June, but the inventory could not be counted until 6 July. The inventory valuation at this date was \$86 500.

The table shows the inventory movements between 30 June and 6 July.

	\$
sales (at cost)	1750
purchases	1550
returns inwards at cost	310
returns outwards	190

What was the value of inventory at 30 June?

- A** \$86 180      **B** \$86 420      **C** \$86 580      **D** \$86 820