

- 1 An item of machinery cost \$60 000. The machinery was later sold for \$8000 and the loss on disposal was \$3000.

What was the accumulated depreciation on the machinery on disposal?

- A** \$49 000 **B** \$52 000 **C** \$55 000 **D** \$65 000

- 2 The interest receivable account shows interest of \$17 500 received during the year. Interest of \$1600 is due at the year end.

How will this be shown in the income statement?

	income statement	\$
A	credit	17 500
B	credit	19 100
C	debit	17 500
D	debit	19 100

- 3 On 31 December 2012 John's statement of financial position showed the following.

	\$
trade receivables	18 000
provision for doubtful debts	720

On 31 December 2013 John decides to increase the rate of provision to 5%. His income statement shows a debit of \$80 for the change in the provision.

What is the value of John's total trade receivables on 31 December 2013?

- A** \$12 800 **B** \$14 400 **C** \$16 000 **D** \$20 000

- 4 A company sells goods at a mark up of 25%.

The following information is available at the end of the financial year.

goods in warehouse	\$300 000 (cost)
goods sent on sale or return	\$200 000 (at invoice price)

What was the value of closing inventory in the financial statements?

- A** \$300 000 **B** \$450 000 **C** \$460 000 **D** \$500 000