

- 8 Which transaction would increase the current assets of a business?
- A paying credit suppliers \$750 cash
  - B purchasing a non-current asset on credit for \$5000
  - C purchasing inventory on credit for \$1000 and selling immediately for \$2000 cash
  - D selling inventory of \$1000 at cost price on credit
- 9 A business has a bank balance of \$4800. It pays for materials invoiced at \$3000 less trade discount of 30% and cash discount of 10%. A cheque for \$450 is received from a customer.
- What is the bank balance after these transactions?
- A \$2250                  B \$2460                  C \$3360                  D \$3450
- 10 A sole trader pays private expenses from the business bank account and records them as drawings.
- Which accounting principle is applied?
- A business entity
  - B going concern
  - C matching
  - D prudence
- 11 A draft statement of financial position shows a bank balance of \$1400. The following information is now available.

|   | \$  |
|---|-----|
| cheques issued but not yet cleared by the bank            | 150 |
| bank charges not in the cash book                         | 45  |
| lodgements in the cash book but not on the bank statement | 220 |

Which figure is shown on the bank statement?

- A \$1285                  B \$1355                  C \$1425                  D \$1515