

5 A business had a draft loss for the year of \$4650. Further adjustments were required.

- 1 a write off of \$165 for bad debts
- 2 a reduction of \$300 in the provision for doubtful debts

What was the loss for the year after these adjustments?

A \$4185 **B** \$4515 **C** \$4785 **D** \$5115

6 Which entries are made to transfer cash discount obtained from suppliers to the financial statements at the end of the year?

	debit entry	credit entry
A	trade payables account	income statement
B	discount received account	income statement
C	income statement	trade payables account
D	income statement	discount received account

7 A motor vehicle retailer has the following transactions.

- 1 issue of shares
- 2 sale of motor vehicles
- 3 sale of surplus premises

Which transaction(s) are capital income?

A 1 only **B** 1 and 3 **C** 2 only **D** 2 and 3

8 Which item appears as a reserve in a statement of financial position?

- A** bank overdraft
- B** provision for depreciation
- C** provision for doubtful debts
- D** share premium