

- 8** A business makes a provision for doubtful debts equal to 10% of trade receivables.

The provision at 31 March 2013 was \$8300.

The trade receivables after the provision on 31 March 2014 were \$55 800.

What is the change in provision over the 12 months?

- A** \$2100 decrease
- B** \$2100 increase
- C** \$2700 decrease
- D** \$2700 increase

- 9** An entry of \$700 in the discount received account had not been entered in the purchases ledger. During the year a machine was sold for \$1000. There was only one entry made and it was a credit in the bank account.

What is the balance on the suspense account?

- A** \$1700 credit
- B** \$1700 debit
- C** \$2700 credit
- D** \$2700 debit

- 10** A trader's closing inventory includes damaged items that originally cost \$500. These items will cost \$150 to repair and they will then be sold for \$600.

At which value will these items be recorded in the trader's inventory?

- A** \$350 **B** \$450 **C** \$500 **D** \$600

- 11** What is the advantage of keeping a full set of double entry books of account?

- A** Account balances are available through the year.
- B** Business assets and owner's assets can be kept separate.
- C** It enables the book-keeper to check the bank statement for errors and omissions.
- D** It stops the value of assets being overstated.