

1 Which cost will decrease as production is increased?

- A fixed costs per unit
- B total fixed costs
- C total variable costs
- D variable cost per unit

2 A business paid \$10 000 for waste disposal in the year.

The opening prepayment was \$1500 and the closing accrual was \$2000.

What was the charge for waste disposal for the year?

- A \$6500      B \$9500      C \$10 500      D \$13 500

3 The non-current assets of a business are shown.

	end of year \$	start of year \$
cost	360 000	300 000
accumulated depreciation	<u>120 000</u>	<u>75 000</u>
net book value	240 000	225 000

During the year, non-current assets costing \$110 000 were bought and non-current assets with a net book value of \$20 000 were sold.

What was the depreciation charge for the year?

- A \$35 000      B \$45 000      C \$50 000      D \$75 000

4 Which transaction would increase the current assets of a business?

- A paying invoices \$950, after receiving \$50 cash discount
- B purchasing a machine on credit for \$1200
- C purchasing inventory for \$1100 cash and selling it on credit for \$1500
- D selling inventory with an original cost of \$800 at below cost price