

- 5** A business sold one of its non-current assets.

The following information relates to this asset.

	\$
purchase price	50 000
depreciation to date of sale	20 000
sale price	60 000

What was the effect of this transaction on the net assets in the year of sale?

- A** decrease of \$30 000
B decrease of \$60 000
C increase of \$30 000
D increase of \$60 000
- 6** Which items will be found on the credit side of a sales ledger control account?
- 1 allowance for irrecoverable debts
 - 2 contra with purchases ledger control account
 - 3 irrecoverable debts written off
 - 4 refund to customers who overpaid
- A** 1 and 3 **B** 1 only **C** 2, 3 and 4 **D** 2 and 3 only
- 7** A business omitted discounts allowed of \$700 from its trial balance.

During the year a machine had been sold for cash, \$500, but the only accounting entry made was a debit in the bank account.

What is the balance on the suspense account before these errors are corrected?

- A** \$200 debit **B** \$1200 debit **C** \$200 credit **D** \$1200 credit