

- 5 A non-current asset is depreciated due to passage of time.

Which type of non-current asset is it?

- A a computer which has become out of date
- B a lease with a fixed life in terms of years
- C a machine which is subject to rust and breakdown
- D a mine which loses value as coal is extracted

- 6 On 1 June 2011, a company purchases machinery for \$18000. The company depreciates machinery at 20% per annum using the reducing balance method.

The machinery was sold on 1 June 2013 for \$9400.

What is the profit/loss on the disposal of the machinery?

- A loss \$1400
- B loss \$2120
- C profit \$1400
- D profit \$2120

- 7 A trial balance failed to agree. A suspense account was opened. The following errors were then discovered.

- 1 The sales returns journal had been undercast by \$850.
- 2 The purchases journal had been overcast by \$975.

What was the opening balance on the suspense account before the correction of the errors?

- A \$125 credit
- B \$125 debit
- C \$1825 credit
- D \$1825 debit

- 8 The bank column of a cash book showed a credit balance of \$5000. There were unpresented cheques amounting to \$1500. The bank statement showed bank charges of \$700 not in the cash book.

What is the balance on the bank statement?

- A \$3300 debit
- B \$4200 debit
- C \$4200 credit
- D \$5800 credit