

- 8 The statement of the financial position of a company shows the following:

| | \$ |
|-------------------------------|--------------|
| tangible non-current assets | 20 600 |
| intangible non-current assets | 5 700 |
| trade receivables | 8 600 |
| trade payables | 3 200 |
| loan repayable in three years | 4 000 |
| bank balance | 5 200 credit |
| inventory | 6 900 |

What is total working capital?

- A** \$3100 **B** \$7100 **C** \$17 500 **D** \$29 400
- 9 An inexperienced bookkeeper calculated a draft profit for the year ended 31 December 2015 of \$578 500. He had not accounted for the following:

| | 1 January 2015 \$ | 31 December 2015 \$ |
|------------------------------|----------------------|------------------------|
| provision for doubtful debts | 12 800 | 11 300 |
| provision for depreciation | 95 000 | 126 200 |

What was the revised profit for the year?

- A** \$441 000 **B** \$463 600 **C** \$545 800 **D** \$548 800
- 10 A computer used for demonstration to customers was treated as capital expenditure.
At the end of the year a customer purchased the computer in the ordinary course of business.
Which entries are needed to adjust the cost of sales?

| | account to be debited | account to be credited |
|----------|-----------------------|-------------------------|
| A | inventory | demonstration equipment |
| B | purchases | demonstration equipment |
| C | sales | inventory |
| D | selling expenses | sales |