

- 5 At the beginning of the year a business has a provision for doubtful debts of \$2600. At the year end the provision is to be 5% of trade receivables.

The balance on the sales ledger control account at the year end is \$69 200, before writing off a bad debt of \$480.

The business operates a separate bad debts account.

What is the entry in the income statement for the provision for doubtful debts?

- A** \$836 credit    **B** \$836 debit    **C** \$860 credit    **D** \$860 debit

- 6 The table below shows how a non-current asset appears in the statement of financial position.

	\$
non-current asset at cost	120 000
accumulated depreciation	<u>(18 000)</u>
net book value	<u>102 000</u>

The asset is revalued to \$136 000.

What is the journal entry to record the revaluation?

		debit \$	credit \$
<b>A</b>	non-current asset at cost income statement	16 000	16 000
<b>B</b>	non-current asset at cost accumulated depreciation revaluation reserve	16 000 18 000	34 000
<b>C</b>	non-current asset at cost revaluation reserve	34 000	34 000
<b>D</b>	non-current asset at cost revaluation reserve	16 000	16 000

- 7 A vehicle was part exchanged for a new vehicle.

Which entries record the part exchange?

	account debited	account credited
<b>A</b>	cash	motor vehicles
<b>B</b>	disposal	motor vehicles
<b>C</b>	motor vehicles	cash
<b>D</b>	motor vehicles	disposal