

- 11** In preparing the financial statements, an accrual for rent payable was treated as a prepayment.

What effect does this have on the profit and the current liabilities?

	profit	current liabilities
<b>A</b>	overstated	overstated
<b>B</b>	overstated	understated
<b>C</b>	understated	overstated
<b>D</b>	understated	understated

- 12** A sole trader is preparing his income statement for the year ended 31 December 2021, his first year of trading. The following information is available.

	\$
takings banked	16 400
payments to trade payables	8 500
expenses for the year	2 900
balance of trade payables	1 200
balance of trade receivables	700

He took goods for his own use, \$1000, during the year. There was no closing inventory.

What was his profit for the year?

- A** \$4500      **B** \$5500      **C** \$7400      **D** \$7900

- 13** The following information is available for the year ended 31 December 2021.

	\$
trade payables at 1 January 2021	18 000
trade payables at 31 December 2021	14 000
discount received	6 000
payments to credit suppliers	158 000
returns outwards	3 000
contra to sales ledger control account	2 000

What were the credit purchases for the year?

- A** \$143 000      **B** \$161 000      **C** \$165 000      **D** \$173 000