

- 5 The table shows information relating to the fixed assets of a business.

	\$
net book value at the beginning of year	28 000
net book value at end of year	25 000
depreciation charge for the year	4000
disposals at net book value	9000

What is the figure for fixed asset additions?

- A** \$2000      **B** \$6000      **C** \$10 000      **D** \$16 000

- 6 Freehold land and buildings are shown in the accounts at a cost price of \$200 000 and accumulated depreciation of \$40 000.

The property is to be revalued in the books at \$340 000.

What is the double entry to record this transaction?

	account	DR \$	CR \$
<b>A</b>	Freehold Land and Buildings Profit and Loss	140 000	140 000
<b>B</b>	Freehold Land and Buildings Accumulated Depreciation Profit and Loss	140 000 40 000	180 000
<b>C</b>	Freehold Land and Buildings Revaluation Reserve	140 000	140 000
<b>D</b>	Freehold Land and Buildings Accumulated Depreciation Revaluation Reserve	140 000 40 000	180 000

- 7 A business values obsolete stock at net realisable value.

Which accounting principle has been applied?

- A** consistency  
**B** going concern  
**C** materiality  
**D** prudence