

- 4 A business started on 1 January 2013. At 31 December 2014 the following information is available.

	31 December 2013 \$	31 December 2014 \$
trade receivables	80 000	100 000
increase in provision for doubtful debts in income statement	4 000	2 000

What is the rate for provision for doubtful debts in 2014?

- A** 2% **B** 3.33% **C** 5% **D** 6%
- 5 A business purchases inventory on a credit basis.
- Which item affects the amount paid to suppliers?
- A** bad debts
B contra with the sales ledger
C discount allowed
D returns inwards
- 6 A business depreciates its non-current assets at 20% using the straight-line method. Depreciation is calculated on a time basis in the year of acquisition and disposal.

	\$
non-current assets, at cost, 31 December 2013	200 000
purchase of machinery 1 January 2014	50 000
disposal of machinery 30 September 2014	40 000
non-current assets, at cost, 31 December 2014	210 000

What is the depreciation charge for non-current assets for the year ended 31 December 2014?

- A** \$42 000 **B** \$48 000 **C** \$50 000 **D** \$52 000