

- 5 The following items of expenditure take place during the first month of a transport business.

	\$
rent	1 000
insurance of building	1 300
insurance of vehicle	350
road tax	500
purchase of vehicle	15 000
number plate for vehicle	150
painting of vehicle in company colours	750
wages for lorry driver	100
wages for painting vehicle	150

What is the total capital expenditure?

- A** \$15 000 **B** \$15 500 **C** \$16 050 **D** \$16 550

- 6 A manufacturer has paid \$3000 for electricity from his private bank account.

The electricity charges are apportioned as follows:

	%
factory	50
sales office	10
private	40

Which entries for electricity are necessary in the business accounts?

	factory	sales office	capital account
A	credit \$1000	credit \$200	debit \$1200
B	credit \$1500	credit \$300	debit \$1800
C	debit \$1000	debit \$200	credit \$1200
D	debit \$1500	debit \$300	credit \$1800