

- 5 A trader prepares a disposal account. On which sides do the cost of the asset and sale proceeds appear?

	cost of the asset	sale proceeds
A	credit	credit
B	credit	debit
C	debit	credit
D	debit	debit

- 6 A trial balance at 30 June, before making end of year adjustments, showed the following.

	debit \$	credit \$
trade receivables	35 600	—
provision for doubtful debts	—	1 160

At 30 June, it was decided to write off a bad debt of \$1600 and to make a provision for doubtful debts equal to 2% of trade receivables.

What was the total decrease in the profit for the year ended 30 June arising from the bad and doubtful debts?

- A** \$680 **B** \$1120 **C** \$2080 **D** \$2280