

Sadia runs a secretarial agency. Her financial year ends on 30 September.

She provided the following information.

	\$
At 1 October 2017	
Office equipment at cost	26 000
Provision for depreciation of office equipment	9 360
Office furniture at valuation	11 100
Rent prepaid to 30 November 2017	190
Fees owing from clients	2 880
Provision for doubtful debts	144

During the year ended 30 September 2018

Receipts	
Fees from clients	42 100
Payments	
Wages	29 800
Advertising for 15 months to 31 December 2018	3 150
Rent for 12 months to 30 November 2018	1 200
General expenses	1 775
Office furniture	1 450

Additional information

- 1 At 30 September 2018 fees owing by clients amounted to \$3120.
- 2 Office equipment is depreciated at 20% per annum using the reducing (diminishing) balance method.
- 3 Office furniture is depreciated using the revaluation method. The office furniture was valued at \$11400 on 30 September 2018.
- 4 The provision for doubtful debts is to be maintained at the same rate as the previous year.
- 5 Cash, \$3500, taken by Sadia during the year for personal use, was debited to the wages account.



Name: _____
Date: _____

(b) Name **three** items which may appear in the income statement of a trading business but which would **not** appear in Sadia's income statement.

- 1
- 2
- 3 [3]