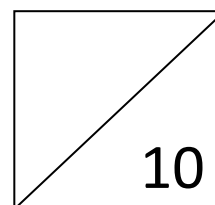


**South Tuen Mun Government Secondary School**  
**Business, Accounting and Financial Studies**  
**Paper 1 Revision- Introduction to Accounting Ch.3**  
**DSE Past Paper 2012-2019**



Name: \_\_\_\_\_ Class: \_\_\_\_\_ ( ) Date: \_\_\_\_\_

**Ch 3**

16-21	<p>Which of the following should be recorded on the credit side of the respective accounts?</p> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 10%;"></th> <th style="width: 40%;"></th> <th style="width: 20%; text-align: center;"><u>Account</u></th> <th style="width: 30%;"></th> </tr> </thead> <tbody> <tr> <td>(1)</td> <td>Decrease in capital</td> <td style="text-align: center;">Capital</td> <td></td> </tr> <tr> <td>(2)</td> <td>Increase in trade payables</td> <td style="text-align: center;">Trade payables</td> <td></td> </tr> <tr> <td>(3)</td> <td>Decrease in cash at bank</td> <td style="text-align: center;">Bank</td> <td></td> </tr> </tbody> </table> <p>A. (1) and (2) only            B. (1) and (3) only            C. (2) and (3) only            D. (1), (2) and (3)</p>			<u>Account</u>		(1)	Decrease in capital	Capital		(2)	Increase in trade payables	Trade payables		(3)	Decrease in cash at bank	Bank	
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18-8	<p>Which of the following should be credited to the purchases account of a firm?</p> <p>(1) goods withdrawn by owners for personal use            (2) goods returned to a supplier            (3) goods donated to a non-profit making organisation</p> <p>A. (1) only            B. (1) and (3) only            C. (2) and (3) only            D. (1), (2) and (3)</p>												

18-12

On 1 March 2018, the cash at bank account and the cash in hand account of a firm carried debit balances of \$15 000 and \$12 000 respectively. Cash sales for the month were \$13 000, of which \$5 000 was kept in the safe and the remaining cash from sales was deposited into the bank before the month end. During the month, \$9 000 was paid for expenses in cash and \$26 000 was paid to acquire equipment by cheque.

The cash at bank account carried a \_\_\_\_\_ on 31 March 2018.

- A. credit balance of \$3 000
- B. credit balance of \$6 000
- C. debit balance of \$5 000
- D. debit balance of \$8 000

19-4

The following account was extracted from the books of Lee's firm:

Mr Au					
2018		\$	2018		\$
Oct 14	Cash	22 000	Oct 1	Balance b/d	10 000
Oct 31	Balance c/d	44 000	Oct 5	Purchases	56 000
		66 000			66 000

Based on the information in the above account, which of the following statements is not correct?

- A. Lee's firm owed Mr Au \$10 000 on 1 October 2018.
- B. Mr Au sold goods for \$56 000 on credit to Lee's firm on 5 October 2018.
- C. Lee's firm received \$22 000 in cash from Mr Au on 14 October 2018.
- D. The account has a credit balance as at 31 October 2018.