

Lottie is a trader. Her financial year end is 30 April. On 30 April 2024, Lottie sold a motor vehicle for \$6000 on credit to Y Limited. She had purchased the vehicle on 1 May 2021 for \$12 000. Lottie charges depreciation on vehicles at 25% using the reducing balance method. No depreciation is charged in the year of disposal.

REQUIRED

- (c) (i) Calculate the accumulated depreciation on the vehicle at 30 April 2024.

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..... [2]

- (ii) Prepare the disposal of motor vehicles account.

Lottie
Disposal of motor vehicles account

Date	Details	\$	Date	Details	\$
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.....

[4]

1(c)(i)	Depreciation for the year ended 30 April 2022 $12\,000 \times 25\%$ 3 000} Depreciation for the year ended 30 April 2023 $(12\,000 - 3\,000) \times 25\%$ <u>2 250</u> }(1) Accumulated depreciation at 30 April 2024 <u>5 250</u> (1)OF	2																														
1(c)(ii)	<div><div>Lottie</div><div>Disposal of motor vehicle account</div><table><tr><td>Date 2024 Apr 30</td><td>Details</td><td>\$</td><td>Date 2024 Apr 30</td><td>Details</td><td>\$</td></tr><tr><td></td><td>Motor vehicles (1)</td><td>12 000</td><td></td><td>Provision for depreciation (1)OF</td><td>5 250</td></tr><tr><td></td><td></td><td></td><td></td><td>Y Limited (1)</td><td>6 000</td></tr><tr><td></td><td></td><td></td><td></td><td>Income statement (1)OF</td><td><u>750</u></td></tr><tr><td></td><td></td><td><u>12 000</u></td><td></td><td></td><td><u>12 000</u></td></tr></table></div> <div>Ignore dates</div>	Date 2024 Apr 30	Details	\$	Date 2024 Apr 30	Details	\$		Motor vehicles (1)	12 000		Provision for depreciation (1)OF	5 250					Y Limited (1)	6 000					Income statement (1)OF	<u>750</u>			<u>12 000</u>			<u>12 000</u>	4
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