3   Jasmine owns a consulting business.

At 1 April 2024, Jasmine's ledger accounts included the following balances.

	$
Motor vehicles	16 000
Provision for depreciation of motor vehicles	7 000
Trade receivables	12 220
Provision for doubtful debts	366
Rent (prepaid)	900
Rates (unpaid)	270

During the year ended 31 March 2025, Jasmine's bank payments included the following amounts.

	$
Motor vehicles	18 000
Rent and rates	14 960

Additional Information

1   Depreciation is to be provided at 25% per annum using the reducing balance method.
A full year's depreciation is to be charged on vehicles purchased during the year.

2   Trade receivables at 31 March 2025 were $11 800. An amount of $300 is still to be written off as irrecoverable.

3   The provision for doubtful debts is to be maintained at 3% of net trade receivables.

4   At 31 March 2025, prepaid rent was $925 and unpaid rates were $185.

REQUIRED

[4]

(b) Prepare the provision for doubtful debts account for the year ended 31 March 2025. Balance the account and bring down the balance at 1 April 2025.

Jasmine
Provision for doubtful debts account

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

[4]

At 31 March 2025, Jasmine had a bank overdraft of $2620.

REQUIRED

(d) Prepare the current assets section of Jasmine's statement of financial position at 31 March 2025.

....

....

....

....

....

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....

....

.... [3]

(e) State:

   (i) how the principle of consistency is applied when charging depreciation.

   ....

   .... [1]

  (ii) **one** way Jasmine may reduce the possibility of irrecoverable debts.

   ....

   .... [1]

 (iii) which accounting principle Jasmine is applying by making an adjustment for rent prepaid.

   ....

   .... [1]

[Total: 20]

3(b)							4
	Jasmine Provision for doubtful debts account						
	Date	Details	$	Date	Details	$	
	2025			2024			
	Mar 31	Income statement **(1)OF** Balance c/d	21 345	Apr 1	Balance b/d **(1)**	366	
			366			366	
				2025			
				Apr 1	Balance b/d* **(2)CF or (1)**	345	
	* (11 800 – 300 =) 11 500 × 3% = 345						