

On 30/6/26, the following ledger accounts are provided by **AllFlags**.

Computer System					
Date	Cross-Reference	\$	Date	Cross-Reference	\$
1/6/26	Balance	4600			

Accumulated Depreciation Computer System					
Date	Cross-Reference	\$	Date	Cross-Reference	\$
			1/6/26	Balance	3800

Disposal of Computer System					
Date	Cross-Reference	\$	Date	Cross-Reference	\$

Sundry Creditor: OrangeWorks					
Date	Cross-Reference	\$	Date	Cross-Reference	\$

Profit or loss on disposal of Computer System					
Date	Cross-Reference	\$	Date	Cross-Reference	\$

The computer system is depreciated at 30% per year using the reducing balance method. On 30/6/26 sold the old computer system for \$1000 cash, receipt #2876. Bought a new computer system from OrangeWorks, \$2970 including \$270 GST, invoice #76 and installation was done by Home Office Suppliers for cash, \$330 for including \$30 GST, cheque #7761.

1.4 Using the information provided, **complete** the ledger accounts provided above. **Close/balance** at 30/6/26.

8 marks

1.5 On 3/7/26 the business paid OrangeWorks \$2000, cheque #7765. **Show** how this would be reported in the Cash Flow Statement for July 2026.

2 marks

AllFlags: Cash Flow Statement extract for July 2026		
	\$	\$

1.6 **Show** how Computer System would be reported in the Balance Sheet at 30/6/28.

3 marks

AllFlags: Balance Sheet extract at 30/6/28		
Non Current Assets	\$	\$
Computer system		

1.7 In a past reporting period a loss on disposal of office furniture was reported. **Explain** how a loss on disposal occurs.

3 marks
