

- 15** X and Y are in partnership sharing profits and losses equally. They have combined capital account balances of \$200 000.

Z was admitted as a partner. Non-current assets were revalued upwards by \$30 000. Goodwill was valued at \$20 000 but was **not** to be retained in the books of account.

Following Z's admission the total of the partners' capital accounts was \$270 000.

How much capital did Z contribute?

- A** \$20 000 **B** \$40 000 **C** \$50 000 **D** \$70 000

- 16** A company's statement of financial position at 1 January 2020 included the following amounts.

	\$
ordinary shares of \$5 each	800 000
general reserve	80 000
retained earnings	120 000

The following transactions took place during the year ended 31 December 2020.

- 1 The company issued a further 50 000 ordinary shares at a premium of \$1 per share.
- 2 The company's land was revalued upwards by \$130 000.
- 3 The company paid a final dividend of \$60 000.

What were the total revenue reserves and capital reserves at 31 December 2020 after these three transactions?

	total revenue reserves \$	total capital reserves \$
A	140 000	180 000
B	190 000	130 000
C	200 000	180 000
D	250 000	130 000

- 17** A company revalued its premises upwards.

Which statement about the increase in value is correct?

- A** It is an unrealised profit.
B It is debited to the revaluation reserve.
C It is recorded in the income statement.
D It can be used to pay cash dividends.