

- 19** On 1 January, X Limited had share capital of 100 000 ordinary shares which had been issued at their par value of \$1 each. There was no share premium account.

On 1 March, a bonus issue of one new ordinary share for every five ordinary shares held was made from retained earnings.

On 1 June, the company made a rights issue of one new ordinary share for every four ordinary shares held at a price of \$1.50 each. All the rights were taken up.

How much was recorded in the share premium account?

- A** \$12 500 **B** \$15 000 **C** \$30 000 **D** \$45 000

- 20** The following information is available for a business.

sales revenue	\$500 000
purchases	\$365 000
gross margin	25%
mark-up	$33\frac{1}{3}\%$
inventory at start of the period	\$20 000

What was the value of closing inventory?

- A** \$10 000 **B** \$20 000 **C** \$30 000 **D** \$50 000

- 21** The following shows extracts from the statement of financial position of a company.

	at 30 September \$
non-current assets	120 000
inventory	35 000
trade receivables	23 000
cash at bank (debit balance)	12 000
trade payables	15 000
bank loan repayable within 12 months	40 000

What is the liquid (acid test) ratio?

- A** 0.64 : 1 **B** 1.27 : 1 **C** 2.33 : 1 **D** 4.67 : 1