

- 12** A draft Balance Sheet shows a bank balance of \$1400. The following information is now available.

	\$
cheques issued but not yet cleared by the bank	150
bank charges not in the cash book	45
lodgements in the cash book but not on the bank statement	220

What is the figure shown on the Bank Statement?

- A** \$1285      **B** \$1355      **C** \$1425      **D** \$1515

- 13** How should goodwill be treated in the accounts of a limited company?

- A** Goodwill should always be written off immediately.  
**B** Non-purchased goodwill is shown in the balance sheet.  
**C** Purchased goodwill remains on the balance sheet as a permanent item.  
**D** Purchased goodwill is shown in the balance sheet and written off over its useful life.

- 14** Stocks should be valued at the lower of cost and net realisable value.

The table shows data about four products.

product	W \$	X \$	Y \$	Z \$
cost	18	19	17	23
realisable value	15	28	17	26
selling expenses		3	2	3

At how much should the total stocks be valued?

- A** \$72      **B** \$77      **C** \$78      **D** \$86

- 15** A partnership maintains both capital and current accounts for its partners.

What is the correct accounting entry for recording interest on capital for partner X?

	account to be debited	account to be credited
<b>A</b>	Profit and Loss Appropriation	X's Capital
<b>B</b>	Profit and Loss Appropriation	X's Current
<b>C</b>	X's Capital	Profit and Loss Appropriation
<b>D</b>	X's Current	Profit and Loss Appropriation