

**13** The following information is available for a business for the year ended 31 March 2022.

	\$
non-current assets at cost at 1 April 2021	62 000
provision for depreciation on non-current assets at 1 April 2021	12 000
expenses paid by cash and cheques during the year	42 200
expenses prepaid at 31 March 2022	4 600
trade receivables at 31 March 2022	25 000

A provision for doubtful debts is to be created at 2% of trade receivables.

Depreciation on non-current assets is to be provided at 20% using the reducing balance method.

What was the total of expenses for the year?

- A** \$47 600      **B** \$48 100      **C** \$50 500      **D** \$57 300

**14** X and Y are in partnership but do not have a partnership agreement. X had introduced twice as much capital as Y and made a loan to the partnership.

X insists he is entitled to the following:

- 1 interest on the extra capital he has invested
- 2 interest on the loan he has made to the partnership
- 3 a profit share of double that of Y
- 4 not to pay interest on his drawings.

What is X entitled to?

- A** 1 and 2      **B** 1 and 3      **C** 2 and 4      **D** 3 and 4

**15** L, M and N share profits equally. N is retiring and net assets at net book value of \$27 000 are revalued at \$36 000.

Goodwill is valued at \$18 000 but will not be recorded in the books of account.

After N retires, L and M will share profits in the ratio 3:2.

What will be the change to L's capital account?

- A** \$1800 decrease  
**B** \$1800 increase  
**C** \$7800 decrease  
**D** \$7800 increase