

10 Which items **only** appear on the credit side of a partner's capital account?

- 1 goodwill in an agreed ratio split
- 2 opening balances
- 3 profit on revaluation of assets
- 4 transfers from current accounts

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

11 A sole trader has a draft profit for the year of \$47 500.

No entries have been made in respect of the following.

- 1 At the end of the year trade receivables were \$5600 more than the previous year. However, an irrecoverable debt of \$360 had not been written off. The trader maintains a provision of doubtful debts of 5%.
- 2 A machine had been sold for \$4000. It had a net book value of \$3500.

What will be the correct profit for the year?

A \$46 360 **B** \$47 378 **C** \$47 902 **D** \$47 920

12 A sole trader had trade receivables of \$21 650 at the start of the year.

During the year there were irrecoverable debts of \$450 written off.

Cash received from customers was \$42 670.

At the year end, the statement of financial position showed trade receivables of \$25 745 after deducting a provision for doubtful debts of 5%.

What were the sales for the year?

A \$46 765 **B** \$47 215 **C** \$47 670 **D** \$48 570

13 L, M and N are in partnership, sharing profits and losses equally.

On 31 December 2020 N retired. At that date:

- 1 N's capital account balance was \$30 000 and his current account had a debit balance of \$5400.
- 2 Profit for the year was \$21 000 before paying L's salary of \$6000.
- 3 The goodwill was valued at \$18 000 but is not to remain in the books of account.
- 4 Other assets are to be revalued upwards by \$6000.

How much will N be entitled to on his retirement?

A \$30 600 **B** \$37 600 **C** \$41 400 **D** \$42 400