

**13** V and E are in partnership, sharing profits and losses equally.

Their capital accounts showed the following credit balances at 31 March 2021.

	\$
V	80 000
E	40 000

Z was admitted as a partner on 1 April 2021. At that date the following items were taken into account.

- 1 Non-current assets were revalued downwards by \$20 000.
- 2 Goodwill was valued at \$80 000, but will not remain in the books of account after Z is admitted.

The new profit-sharing ratio will be V 40%, E 30% and Z 30%.

What was the balance on E's capital account after the admission of Z?

**A** \$30 000      **B** \$46 000      **C** \$56 000      **D** \$70 000

**14** Which account is used to calculate the profit or loss on the dissolution of a partnership?

- A** appropriation account
- B** capital account
- C** realisation account
- D** revaluation account

**15** Which statements apply when a bonus issue of ordinary shares is made by a company?

- 1 It will be made to existing shareholders.
- 2 The issue can be at a premium.
- 3 They can be issued at lower than market price.

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