

- 14** L and M are in partnership, sharing profits and losses in the ratio of 3 : 2. They have the following current account balances.

	L \$	M \$
31 March 2019	3 000 credit	4 500 debit
31 March 2020	14 200 credit	6 200 debit

The balances at 31 March 2020 are after taking into account the following.

	L \$	M \$
interest on drawings	1 000	1 500
interest on capital	3 000	2 000
drawings	10 000	15 000

What was the residual profit to be shared between L and M for the year ended 31 March 2020?

- A** \$24 000 **B** \$27 000 **C** \$29 000 **D** \$32 000

- 15** How is unpaid debenture interest recorded in the financial statements of a company at the year end?

- 1 a current liability in the statement of financial position
- 2 a non-current liability in the statement of financial position
- 3 an expense in the income statement
- 4 an item in the statement of changes in equity

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