

- 16** A business sells some inventory for \$80 on credit. This originally cost \$50.

How does this affect the statement of financial position?

	current assets	owner's capital
A	decrease by \$30	decreases by \$30
B	decrease by \$30	increases by \$30
C	increase by \$30	decreases by \$30
D	increase by \$30	increases by \$30

- 17** Which entries are made to record interest on capital in partnership accounts?

	debit	credit
A	appropriation account	capital account
B	appropriation account	current account
C	capital account	appropriation account
D	current account	appropriation account

- 18** L and M are in partnership, sharing profits and losses in the ratio of 3 : 2 respectively.

For the year ended 31 March, their statement of profit or loss showed a profit for the year of \$68 000.

The following information relates to the partnership for the same period.

	\$
interest on loan from L	400
total for both partners:	
interest on capital	2 600
interest charged on drawings	1 200
salaries	20 000

How much of the residual profit will L receive?

- A** \$26 520 **B** \$27 720 **C** \$27 960 **D** \$28 200