

**16** What does the Profit and Loss Appropriation Account of a limited company show?

- A** capital and revenue reserves
- B** how net profit is applied
- C** how net profit is earned
- D** the directors' salaries

**17** During the year ended 31 December 2001, the XY Sports Club received \$10 860 for subscriptions.

The following further information is available.

	Year ended 31 December	
	2000 \$	2001 \$
subscriptions owing	580	870
subscriptions received in advance	1 640	1 220

What is the figure for subscriptions in the Income and Expenditure Account for the year ended 31 December 2001?

- A** \$10 150      **B** \$10 510      **C** \$11 570      **D** \$12 270

**18** A company makes a bonus issue of shares.

What is the effect on the net assets and the reserves in the Balance Sheet?

	net assets	reserves
<b>A</b>	increase	decrease
<b>B</b>	increase	unchanged
<b>C</b>	unchanged	decrease
<b>D</b>	unchanged	increase

**19** At the beginning of the year a company has authorised share capital of 200 000 \$0.50 ordinary shares and issued share capital of 100 000 \$0.50 ordinary shares. During the year the company makes a further issue of 50 000 \$0.50 ordinary shares at a price of \$1.20 each.

What is the balance on the Share Capital account at the end of the year?

- A** \$75 000      **B** \$110 000      **C** \$125 000      **D** \$160 000