

**12** X and Y are in partnership sharing profit and losses equally.

Y's opening current account balance was \$1350 debit.

The residual profit for the year was \$23 500.

Y was entitled to the following.

	\$
interest on capital	1 200
salary	14 500

Y's drawings during the year were \$25 000.

What is the closing balance of Y's current account at the year end?

- A** \$1100 credit
- B** \$1100 debit
- C** \$3800 credit
- D** \$3800 debit

**13** F and P are in business sharing profits and losses in the ratio 3 : 1.

Their capital account balances are:

	\$
F	90 000
P	60 000

B is introduced as a new partner and invests \$50 000 as capital.

Goodwill is valued at \$20 000 and is not to be retained in the books of account.

The new profit sharing ratio will be 2 : 2 : 1 for F, P and B respectively.

What is the new capital account balance of F following B's admission?

- A** \$57 000
- B** \$83 000
- C** \$97 000
- D** \$105 000