

17 An extract from Bumble Ltd's balance sheet shows the following.

	\$000
ordinary shares of \$0.25 each	500
share premium	100
retained earnings	300

The company makes a rights issue of 1 share for each 4 held at a price of \$0.30 per share. All shares are taken up.

What will the new balance sheet show?

	A	B	C	D
	\$000	\$000	\$000	\$000
ordinary shares of \$0.25 each	625	500	625	625
rights issue	–	125	–	–
share premium	100	125	125	100
retained earnings	300	275	300	325

18 The following data is available at the end of a financial year.

opening inventory	\$60 000
purchases	\$420 000
closing inventory	\$80 000
mark up	25 %
trade receivables turnover	50 days

Sales are all on credit and accrue evenly over the year.

What is the amount of trade receivables at the end of the year (to the nearest \$500)?

A \$55 000 **B** \$57 500 **C** \$68 500 **D** \$72 000