

17 The equity of P Limited at 1 January 2019 was \$668 000.

Profit for the year ended 31 December 2019 was \$120 000.

During the year ended 31 December 2019, the following also took place:

1 April	Paid an interim dividend of \$40 000
1 July	Transferred \$50 000 from retained earnings to general reserve
1 October	Issued 5% debentures for \$200 000
31 December	Proposed a final dividend of \$30 000

What was the **total** equity of P Limited at 31 December 2019?

A \$698 000 **B** \$718 000 **C** \$748 000 **D** \$948 000

18 A business applied a mark-up of 25%.

Which statement is correct?

- A** Gross margin is 20%.
- B** Gross margin is 25%.
- C** Profit margin is 20%.
- D** Profit margin is 25%.

19 A company's results for a year showed credit sales of \$500 000.

The trade receivables collection period was 73 days.

In the next year, credit sales were expected to be \$550 000 and the collection period was **not** expected to change.

What is the expected percentage change in trade receivables?

- A** decrease of 10%
- B** increase of 10%
- C** decrease of 20%
- D** increase of 20%