

- 12** Which rule does **not** apply in the absence of a partnership agreement?
- A** interest on loans is charged at 6% per annum
  - B** no interest on capital is charged
  - C** no salaries are paid to partners
  - D** profits and losses are shared equally between the partners
- 13** How are subscriptions in arrears recorded in the statement of financial position for a club?
- A** as a current asset
  - B** as a current liability
  - C** as a non-current asset
  - D** as a non-current liability
- 14** The following items appear in the subscriptions account of a club for a financial year.

	\$
subscriptions received owed from the previous year	3 080
subscriptions paid in advance for next year	1 050
subscriptions income transferred to the income and expenditure account	50 000
subscriptions outstanding at year end	2 000

How much cash was received from members in the year?

- A** \$45 870      **B** \$50 000      **C** \$52 130      **D** \$56 130
- 15** The equity of a limited company is as follows.

	at 31 December 2012 \$	at 31 December 2013 \$
ordinary shares of \$0.50 each	400 000	400 000
7% preference shares of \$1 each	200 000	200 000
retained earnings	4 000	?

Profit for the year 2013 was \$300 000. Dividends paid in 2013 were as follows:

ordinary shares: \$0.20 per share

preference shares: half-year dividend

What were the retained earnings at 31 December 2013?

- A** \$133 000      **B** \$144 000      **C** \$210 000      **D** \$217 000