

**15** The total equity of a company on 1 January 2017 was \$400 000. The following information is available for the year ended 31 December 2017.

- 1 There was a rights issue of 20 000 ordinary shares of \$1 each at \$1.50 in June 2017. All of these were taken up.
- 2 The profit for the year was \$45 000.
- 3 Dividends paid during the year were \$8 000 and dividends proposed at the year end were \$15 000.
- 4 A transfer to the general reserve of \$10 000 was made.

What was the total equity at 31 December 2017?

**A** \$442 000      **B** \$452 000      **C** \$467 000      **D** \$477 000

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

What is the correct effect on the statement of financial position?

	share capital	total assets
<b>A</b>	decrease	decrease
<b>B</b>	decrease	no change
<b>C</b>	increase	increase
<b>D</b>	increase	no change

**17** A company raises finance by issuing debentures.

What is the effect on net current assets and short-term profits?

	net current assets	short-term profits
<b>A</b>	decrease	decrease
<b>B</b>	decrease	increase
<b>C</b>	increase	decrease
<b>D</b>	increase	increase