

12 Which ratio would **not** assist in calculating the amount of stolen inventory?

- A** gross profit margin
- B** mark up
- C** rate of inventory turnover
- D** return on capital employed

13 A sports club maintains a life subscriptions account.

How should the balance on the account appear in the financial statements?

- A** asset in the statement of financial position
- B** expenditure in the income and expenditure account
- C** income in the income and expenditure account
- D** liability in the statement of financial position

14 X and Y are in partnership sharing profits equally. They admit Z who brings in \$10 000 capital and takes $\frac{1}{3}$ share of the profit. Goodwill is valued at \$9000 but goodwill is not to be retained in the books of account.

What is the balance on Z's capital account immediately after his introduction?

- A** \$1000 credit
- B** \$5500 credit
- C** \$7000 credit
- D** \$10 000 credit

15 A sole trader withdraws goods for his own use.

How does this affect his financial statements?

	income statement	statement of financial position
A	increase closing inventories	decrease drawings
B	increase cost of goods sold	decrease drawings
C	decrease closing inventories	increase drawings
D	decrease cost of goods sold	increase drawings