

12 The assets of a partnership were revalued when a partner retired.

Which ratio is used to divide the surplus or deficit on revaluation?

- A** new capital accounts
- B** new profit sharing
- C** old capital accounts
- D** old profit sharing

13 X and Y are in partnership sharing profits and losses in the ratio 2 : 1 respectively.

Capital account balances are X \$80 000 and Y \$50 000.

Z joins as a new partner and introduces capital of \$30 000.

Goodwill is valued at \$18 000. Goodwill is not to remain in the books of account.

The new profit sharing ratio will be 5 : 3 : 2 respectively.

What is the balance on X's capital account after the introduction of Z?

- A** \$59 000 **B** \$77 000 **C** \$83 000 **D** \$101 000

14 L, M and N were in partnership sharing profit and losses in the ratio 4 : 3 : 1 respectively.

N retired from the partnership on 31 October 2016 when the balance on her capital account was \$142 000.

Goodwill was valued at \$54 000 and would not remain in the books of account.

Non-current assets were revalued from \$180 000 to \$144 000.

N was paid all amounts due to her from the business bank account.

How much was N paid on retirement from the partnership?

- A** \$130 750 **B** \$139 750 **C** \$144 250 **D** \$153 250

15 A company makes a 1 for 4 bonus issue of ordinary shares.

What happens to share capital and total equity?

	share capital	total equity
A	increase	decrease
B	increase	increase
C	increase	no change
D	no change	increase