

- 9 A company's trial balance includes a Suspense account. It was found that the only errors were discounts received of \$240 and discounts allowed of \$312, which had both been entered on the incorrect sides of the respective ledger accounts.

What is the double entry required to clear the Suspense account balance?

| | account | DR \$ | CR \$ |
|----------|---|------------|------------|
| A | Discounts Allowed Discounts Received Suspense | 312 | 240 72 |
| B | Discounts Received Suspense Discounts Allowed | 240 72 | 312 |
| C | Discounts Allowed Discounts Received Suspense | 624 | 480 144 |
| D | Discounts Received Suspense Discounts Allowed | 480 144 | 624 |

- 10 X, Y and Z are in partnership, sharing profits in the ratio 2 : 2 : 1. X is allowed an annual salary of \$10 000. Y has made a loan to the partnership on which the partnership pays interest of \$5000 each year. Profit for the year before appropriations is \$150 000.

What is Z's total appropriation of profit for the year?

- A** \$27 000 **B** \$28 000 **C** \$29 000 **D** \$30 000

- 11 In the absence of a partnership agreement the partners claim that they are:

| | |
|---|---|
| 1 | entitled to interest on the capitals at the rate of 5 % per annum |
| 2 | entitled to interest on loans to the firm at 5 % per annum |
| 3 | entitled to interest on loans to the firm at 10 % per annum |
| 4 | not entitled to interest on capitals |
| 5 | not entitled to interest on loans to the firm |

Which claims are correct?

- A** 1 and 2 **B** 2 and 4 **C** 3 and 4 **D** 4 and 5