

**17** Which statements about a bonus issue of ordinary shares are correct?

- 1 It will generate extra funds for the company.
- 2 The company's liquidity is not affected.
- 3 Shareholders can sell their bonus shares.

**A** 1 and 2      **B** 1 only      **C** 2 and 3      **D** 3 only

**18** The following information is available for T Limited.

	30 June 2018	30 June 2019
	\$	\$
retained earnings	94 000	148 000
general reserve	50 000	65 000
accrued loan interest	3 000	1 000

During the year ended 30 June 2019, T Limited made the following payments.

	\$
dividend	60 000
loan interest	27 000

What was the profit from operations for the year ended 30 June 2019?

**A** \$104 000      **B** \$114 000      **C** \$129 000      **D** \$154 000

**19** Which ratio tells managers how long it takes to receive payment for goods sold on credit?

- A** current ratio
- B** liquid (acid test) ratio
- C** trade payables turnover
- D** trade receivables turnover