

- 11** A business owner provided the following information at the end of his first year of trading.

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closing inventory	15 000
total payments to suppliers	60 000
amount owing to suppliers	5 000
total receipts from customers	85 000
amount owed by customers	10 000

What was the gross profit for the year?

- A** \$10 000      **B** \$15 000      **C** \$25 000      **D** \$45 000
- 12** How should interest charged on a partner's drawings account be treated?
- A** credited to the appropriation account  
**B** credited to the income statement  
**C** debited to the appropriation account  
**D** debited to the income statement
- 13** X, Y and Z were in partnership, sharing profits equally. When Z retired from the business the assets were revalued. Goodwill was also valued but was not retained in the books of accounts.
- Which statement about Z's retirement is correct?
- A** Only X and Y's capital accounts will be adjusted for the revaluation.  
**B** Only X and Y's capital accounts will be adjusted for goodwill.  
**C** The balance on Z's current account will form part of her retirement settlement.  
**D** Z may only be paid in cash for her share on retirement.