

- 12** At the end of his first year of trading, the trader lost all of his inventory in a fire. He knows the values of sales and purchases and wishes to calculate the value of the inventory lost.

Which ratio should he use?

- A** gross margin
- B** profit margin
- C** trade payables turnover
- D** trade receivables turnover

- 13** X and Y were in partnership sharing profits and losses equally.

Z was admitted as a partner and the profit and loss sharing ratio for X, Y and Z will be 2:2:1 respectively.

On the date of admission, the value of non-current assets was increased by \$48 000.

Goodwill was valued at \$30 000 but would not be retained in the books of account.

What was the effect on X's capital account?

- A** increased by \$19 200
- B** increased by \$24 000
- C** increased by \$27 000
- D** increased by \$31 200

- 14** Which items would appear in a partnership's appropriation account, in the absence of a partnership agreement?

- 1 profit for the year
- 2 partners' interest on drawings
- 3 partners' salaries
- 4 partners' share of profits

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