

16 Dele and lyabo are partners and share profits in the ratio of 3 : 1.

Their profit for the year is \$80 000.

The following information is available.

	Dele \$	lyabo \$
interest on capital	3000	2500
interest on drawings	500	1000

How will the residual profit be shared?

	Dele \$	lyabo \$
A	57 000	19 000
B	57 500	18 500
C	62 500	21 500
D	63 000	21 000

17 W Limited made a loss for the year. The directors wish to increase the balance on the retained earnings account.

How can they do this?

- 1 increase dividends paid
- 2 issue new ordinary shares at a premium
- 3 make a transfer from general reserve

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