

- 11** At the start of the year a business had trade payables of \$13 000. At the end of the year it owed \$15 000 to trade payables.

During the year it paid them \$190 000, after taking a cash discount of \$10 000.

What was the amount of the credit purchases for the year?

- A** \$188 000      **B** \$192 000      **C** \$198 000      **D** \$202 000

- 12** X and Y were in partnership sharing profit and loss equally. Z was admitted to the partnership and it was agreed that profit and loss were to be shared equally. Goodwill was to be valued at the date of admission but was not to be retained in the books of account.

How did the goodwill adjustment affect the partners' capital accounts?

	X's capital account	Y's capital account	Z's capital account
<b>A</b>	decrease	decrease	decrease
<b>B</b>	decrease	decrease	increase
<b>C</b>	increase	increase	decrease
<b>D</b>	increase	increase	increase

- 13** L, M and N were in partnership sharing profits and losses in the ratio 3:2:1. M retired on 31 December 2017. At that date the balance on M's capital account was \$37 000. No current accounts were maintained.

The following were the terms of M's retirement.

Goodwill was valued at \$24 000.

Freehold property was revalued upwards by \$30 000.

M took over a motor vehicle at value of \$7000.

What was the final settlement due to M on his retirement?

- A** \$48 000      **B** \$57 000      **C** \$62 000      **D** \$71 000

- 14** A company paid an ordinary share dividend of \$15 000 in the year.

Where would it appear in the financial statements?

- A** as a finance cost in the income statement  
**B** as an administrative expense in the income statement  
**C** under retained earnings in the statement of changes in equity  
**D** under share capital in the statement of changes in equity