

**16** A company has the following capital and reserves.

	\$
ordinary shares of \$1 each	400 000
share premium account	60 000
revaluation reserve	120 000
general reserve	300 000
retained earnings	90 000
	970 000

The company plans to make a bonus issue of one share for every four held.

What will be the maximum amount of distributable reserves for the company after the bonus issue?

- A** \$290 000      **B** \$300 000      **C** \$350 000      **D** \$390 000

**17** A company provided the following information.

	\$
total assets	160 000
non-current assets	124 000
equity	92 000
non-current liabilities	45 000

What was the amount of working capital?

- A** \$13 000      **B** \$23 000      **C** \$79 000      **D** \$115 000

**18** Which items would **not** appear in the income statement?

- 1 finance costs
- 2 loss on sale of non-current assets
- 3 ordinary share dividends

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