

- 14 P and Q are in partnership. R was admitted as a partner on 1 July 2018, and the profit and loss sharing ratio among P, Q and R was 2:2:1 respectively.

For the purpose of R's admission, the partners agreed:

goodwill would be valued at \$20 000, but not retained in the books of account

R would introduce cash, \$40 000, and motor vehicle, \$10 000

R would be entitled to an annual salary, \$5000.

What was R's capital account balance immediately after his admission?

- A** \$36 000 **B** \$46 000 **C** \$51 000 **D** \$54 000

- 15 Hilary and Lee commenced in partnership on 1 January 2018. There was no partnership agreement. They provided the following information.

	Hilary \$	Lee \$
capital contributions	5000	6000
loan to partnership	—	1000

Profit for the year ended 31 December 2018 **before** the loan interest was \$8850.

What was Lee's share of the profit?

- A** \$4400 **B** \$4425 **C** \$4800 **D** \$4827

- 16 L, M and N are in partnership sharing profits and losses equally.

L retired when the credit balances on her capital and current accounts were \$100 000 and \$40 000.

Partnership assets were revalued upwards by \$60 000.

L took half of the amount due to her on retirement. The other half was left as a loan to the business.

How much was L paid from the partnership bank account on her retirement?

- A** \$20 000 **B** \$40 000 **C** \$60 000 **D** \$80 000