

- 16** X, Y and Z have been in business sharing profits in the ratio 3 : 2 : 1. Y decided to retire at the end of the year when the balance on his capital account was \$39 400.

On that date the assets were revalued upwards by \$57 000. The partnership does not account for goodwill. Y took a car valued at \$4800 as part of the amount due to him.

How much cash did Y receive?

- A** \$25 200 **B** \$44 100 **C** \$53 600 **D** \$58 400

- 17** A company has a bank balance of \$20 000.

The company's equity and reserves are shown.

	\$
ordinary shares of \$0.50 each	10 000
capital reserves	5 000
revenue reserves	3 000

The directors wish to pay the maximum dividend possible.

How much of the bank balance will be used to pay the dividend?

- A** \$3000 **B** \$5000 **C** \$8000 **D** \$20 000

- 18** Which statement about rights issues is true?

- A** Shares can be sold to anyone.
B Shares can only be offered to existing shareholders.
C Shares cannot be sold at a premium.
D Shares cannot be sold at less than the market price.

- 19** A limited company's financial statements contain the following items.

- 1 bonus issue of ordinary shares
- 2 debenture interest
- 3 profit for the year
- 4 profit on disposal of non-current assets

Which items would be found in the statement of changes in equity?

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