

16 An extract from a statement of changes in equity for the year ended 31 December 2016 is shown.

	ordinary share capital \$	share premium \$	retained earnings \$
balance at start of year	50 000	3000	35 000
profit for the year			9 000

During the year 2016 the following occurred, but had not yet been entered.

- 1 10 000 ordinary shares of \$1 each were issued at \$1.50.
- 2 An interim dividend of \$2000 was paid.
- 3 A final dividend of \$3000 was proposed.

What are the final balances at 31 December 2016?

	ordinary share capital \$	share premium \$	retained earnings \$
A	60 000	8000	39 000
B	60 000	8000	42 000
C	65 000	3000	39 000
D	65 000	3000	42 000

17 The following information has been extracted from the statement of financial position of a limited company.

	\$
6% debenture (2020–2022)	20 000
400 000 ordinary shares of \$1 each	400 000
5-year bank loan	200 000
share premium account	50 000
retained earnings	75 000

What is the value of the total equity?

- A** \$525 000 **B** \$545 000 **C** \$695 000 **D** \$725 000