

**19** A fitness club operates a shop selling sports shoes.

Which statement is correct?

- A** The inventory of shoes appears in the receipts and payments account.
- B** The payments to suppliers are adjusted for trade payables in the income and expenditure account.
- C** The profit made appears in the trading account and the income and expenditure account.
- D** The sales proceeds and payments to suppliers are netted off in the receipts and payments account.

**20** On 1 January a business had an inventory of 100 units at a cost of \$10 each. The following transactions then took place.

	units purchased	units sold
February		50
March	60 at \$11 each	
April	70 at \$12 each	100
May		30

All sales are made at \$13 per unit.

The business values its inventory on a FIFO basis.

What is the value of the inventory at the end of May?

- A** \$390                      **B** \$550                      **C** \$600                      **D** \$650

**21** Information from a partnership's accounts is shown.

	\$
profit for the year before interest	15 000
interest on partner's loan to the firm	1 000
interest on capital	2 000
drawings	10 000

Which profit figure is to be appropriated between the partners?

- A** \$3000                      **B** \$13 000                      **C** \$14 000                      **D** \$15 000