

**12** The assets of a partnership were revalued when a partner retired.

Which ratio is used to divide the surplus or deficit on revaluation?

- A** new capital accounts
- B** new profit sharing
- C** old capital accounts
- D** old profit sharing

**13** X and Y are in partnership sharing profits and losses in the ratio 2 : 1 respectively.

Capital account balances are X \$80 000 and Y \$50 000.

Z joins as a new partner and introduces capital of \$30 000.

Goodwill is valued at \$18 000. Goodwill is not to remain in the books of account.

The new profit sharing ratio will be 5 : 3 : 2 respectively.

What is the balance on X's capital account after the introduction of Z?

- A** \$59 000      **B** \$77 000      **C** \$83 000      **D** \$101 000

**14** L, M and N were in partnership sharing profit and losses in the ratio 4 : 3 : 1 respectively.

N retired from the partnership on 31 October 2016 when the balance on her capital account was \$142 000.

Goodwill was valued at \$54 000 and would not remain in the books of account.

Non-current assets were revalued from \$180 000 to \$144 000.

N was paid all amounts due to her from the business bank account.

How much was N paid on retirement from the partnership?

- A** \$130 750      **B** \$139 750      **C** \$144 250      **D** \$153 250

**15** A company makes a 1 for 4 bonus issue of ordinary shares.

What happens to share capital and total equity?

	share capital	total equity
<b>A</b>	increase	decrease
<b>B</b>	increase	increase
<b>C</b>	increase	no change
<b>D</b>	no change	increase