

14 X and Y had been in partnership for some years when Z was admitted as a partner.
On that date the premises account was debited with \$120 000 following a revaluation.
Profits were shared equally both before and after Z's admission.

What were the credit entries recording the revaluation?

- A** capital accounts X \$40 000, Y \$40 000, Z \$40 000
- B** capital accounts X \$60 000, Y \$60 000
- C** current accounts X \$40 000, Y \$40 000, Z \$40 000
- D** current accounts X \$60 000, Y \$60 000

15 Which company reserves may **not** be used to pay dividends?

- 1 general reserve
- 2 retained earnings
- 3 revaluation reserves
- 4 share premium

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

16 A company issued 50 000 ordinary shares of \$0.50 each at a price of \$0.60 each.

What were the accounting entries for the issue?

	debit	\$	credit	\$
A	bank	30 000	share capital	25 000
			share premium	5 000
B	bank	25 000	share capital	30 000
	share premium	5 000		
C	share capital	30 000	bank	30 000
D	share capital	25 000	bank	30 000
	share premium	5 000		