

**19** A company provided the following information.

at 1 January	\$
ordinary shares of \$1 each	100 000
retained earnings	95 000

The following actions took place during the year ended 31 December.

- 1 A bonus issue of one ordinary share for every two ordinary shares held on 1 January.
- 2 A rights issue of 50 000 ordinary shares at \$1.25 each. The issue was fully subscribed.
- 3 A transfer, \$25 000, to create a general reserve.
- 4 A dividend, \$11 250, was paid.

The profit for the year ended 31 December was \$68 500.

What was the total shareholders' equity at 31 December?

**A** \$289 750      **B** \$314 750      **C** \$364 750      **D** \$389 750

**20** A business buys goods for resale, paying by cheque rather than buying on credit.

What effect will this have on the current ratio and the liquid (acid test) ratio?

	current ratio	liquid (acid test) ratio
<b>A</b>	decrease	decrease
<b>B</b>	increase	decrease
<b>C</b>	no change	decrease
<b>D</b>	no change	increase

**21** The following information is available.

	\$
non-current assets at cost at 31 December 2021	400 000
provision for depreciation at 31 December 2021	280 000
sales revenue for the year 2021	980 000
cost of sales for the year 2021	410 000

What is the non-current asset turnover in times?

**A** 1.03      **B** 2.45      **C** 3.42      **D** 8.17