

- 15 Adil and Bashir are in partnership sharing profits and losses in the ratio 2 : 1.

Chandra joins the partnership and profits and losses are now to be shared between Adil, Bashir and Chandra in the ratio 3 : 2 : 1.

The balances of the partners' capital accounts prior to the introduction of Chandra are as shown.

	\$
Adil	20 000
Bashir	10 000

Goodwill is to be valued at \$36 000 and is not to be retained in the books of account.

What is the balance on Adil's capital account after the introduction of Chandra?

- A** \$20 000 **B** \$26 000 **C** \$38 000 **D** \$44 000

- 16 The table shows the assets and liabilities of a club.

	\$
non-current assets	10 000
cash at bank	6 400
electricity owing	600
rent prepaid	900
subscriptions:	
in arrears	5 700
in advance	3 800

How much is the accumulated fund?

- A** \$14 200 **B** \$14 800 **C** \$18 000 **D** \$18 600

- 17 A company issues 100 000 ordinary shares of \$1 each at a premium of \$2. The market value is \$4 per share.

Which statement is **not** correct?

- A** Capital reserves increase by \$200 000.
B Funds available increase by \$300 000.
C Ordinary share capital increases by \$100 000.
D Revenue reserves increase by \$400 000.