

14 X and Y are in partnership and revalue their assets as follows.

asset	book value \$	revalued amount \$
freehold property	50 000	71 000
fixtures and fittings	20 000	16 000
inventory	15 000	13 000

X and Y share profits and losses in the ratio of 2 : 1.

What is X's share of profit from revaluation?

- A** \$5000 **B** \$10 000 **C** \$14 000 **D** \$15 000

15 The following statements relate to a revaluation account.

- 1 An entry on the credit side of the revaluation account means that a non-current asset has fallen in value.
- 2 If a credit entry is required to close off a revaluation account there is a profit on revaluation.

Which row is correct regarding these statements?

	statement 1	statement 2
A	false	false
B	false	true
C	true	false
D	true	true

16 Which item will **not** be affected by the issue of shares at a premium?

- A** capital reserves
B net assets
C profit for the year
D working capital