

- 15 The table shows transactions relating to an inventory (stock) item during a period.

	number of units	per unit
bought	100	cost \$16
sold	60	selling price \$25

Of the remaining units, 20 are damaged and can only be sold for \$10 each.

What is the profit for the period?

- A** \$220                      **B** \$300                      **C** \$420                      **D** \$540

- 16 X, Y and Z are in partnership sharing profits and losses in the ratio 5 : 2 : 3. Y is entitled to a salary of \$18 000 per annum. Partners receive interest at 6 % per annum on their capital account balances at the start of the year.

At the beginning of the year, capital account balances were:

X    \$30 000

Y    \$22 000

Z    \$20 000

The net profit before salary and interest for the year is \$140 000.

What is Y's share of the total profits?

- A** \$23 536                      **B** \$28 000                      **C** \$42 856                      **D** \$46 000

- 17 L and M are in partnership.

Which item should appear in the partnership appropriation account?

- A** additional capital contributed by M  
**B** cash drawings of L and M during the year  
**C** salary due to L  
**D** salary paid to M's wife

- 18 A company is set up with an authorised share capital of \$3 million.

It plans to purchase immediately a factory for \$1 million. Preliminary expenses will be \$100 000 and the immediate requirement for working capital will be \$800 000. It will also require new equipment costing \$600 000 in 12 months time.

What is the minimum amount the company needs to raise now?

- A** \$1 000 000                      **B** \$1 900 000                      **C** \$2 500 000                      **D** \$3 000 000