

- 12** William buys radios for \$10 each and sells them for \$15 each.

His draft statement of financial position included a value of \$1500 for inventory.

His method of calculation of inventory was correct.

He then found that 12 radios could only be sold for \$8 each and 4 radios had been stolen.

By how much should William reduce his inventory valuation?

- A** \$64 **B** \$84 **C** \$124 **D** \$144

- 13** A sole trader has **not** kept a full set of double-entry records.

The following information relates to the business for the year ended 31 March 2021.

	\$
sales	210 000
inventory at 1 April 2020	17 600
inventory at 31 March 2021	18 700
prepaid expense at 1 April 2020	630
expenses paid by cheque	11 900

All goods are marked up by 25%.

What were the purchases and profit for the year?

	purchases \$	profit for the year \$
A	158 600	40 150
B	168 000	29 470
C	168 000	30 730
D	169 100	29 470

- 14** Which statement is correct in the absence of a partnership agreement?

- A** Interest is charged on drawings at 5%.
B Only one partner can have a salary.
C Partners are not entitled to interest on capital.
D Profits and losses are shared in the ratio of partners' capital contribution.