

**16** You are given the following information on 31 December 2003 by X, a sole trader.

	\$
total purchases for year	95 000
returns inwards	3 000
returns outwards	2 000
stock withdrawn by X for personal use	5 000

Unsold stock on 31 December 2003 was valued at \$1000 more than on 1 January 2003.

What is the cost of sales?

- A** \$86 000      **B** \$87 000      **C** \$89 000      **D** \$97 000

**17** A company's Balance Sheet includes the following extract:

	\$
Authorised share capital	10 000 000
Issued share capital:	
2 million ordinary shares of \$1 each	2 000 000
Reserves:	
Share premium	2 000 000
General reserve	400 000
Profit and Loss	1 000 000

What is the maximum number of bonus shares that may legally be issued?

- A** 1 400 000      **B** 2 400 000      **C** 3 000 000      **D** 3 400 000

**18** What will result in an increase in cash funds to a business?

- A** bonus issue of shares  
**B** increase in authorised share capital  
**C** revaluation of fixed assets  
**D** rights issue of shares