

**15** Which items are capital reserves?

- 1 debentures
- 2 retained earnings
- 3 revaluation reserve
- 4 share premium

**A** 1 and 2      **B** 1 only      **C** 3 and 4      **D** 4 only

**16** A company's statement of financial position showed the total equity of \$300 000 on 1 July 2018. The following took place during the year ended 30 June 2019.

- 1 Profit for the year was \$77 500.
- 2 An interim dividend of \$9000 was paid. A final dividend of \$16 000 was proposed.
- 3 A transfer of \$8000 to the general reserve was made.

What was the total equity at 30 June 2019?

**A** \$344 500      **B** \$352 500      **C** \$368 500      **D** \$376 500

**17** The table shows an extract from the financial statements of a limited company.

	\$
ordinary share capital (\$1 shares)	500 000
share premium	150 000
revaluation reserve	200 000
retained earnings	250 000

What is the maximum dividend per share that can be paid?

**A** \$0.50      **B** \$0.80      **C** \$0.90      **D** \$1.20

**18** An investor is looking at the financial statements of a company in which he may decide to invest.

Which item helps him to rely on the financial statements?

- A** consistency of accounting policies from one period to the next
- B** estimation of accounting provisions relying on the opinion of managers
- C** inflation in the currency in which the financial statements are prepared
- D** lapse of time since the date of the statement of financial position