

- 12** The partnership of Ravi and Tania, who shared profits equally, was dissolved.

The capital accounts prior to dissolution were Ravi \$50 000 and Tania \$60 000.

The current accounts balances prior to dissolution were Ravi \$35 000 credit and Tania \$35 000 credit.

The loss on disposal of partnership net assets was \$10 000.

How much money did each partner receive when the partnership was dissolved?

	Ravi \$	Tania \$
A	45 000	55 000
B	80 000	90 000
C	85 000	95 000
D	90 000	100 000

- 13** A company issues 50 000 ordinary shares of \$5 each at a premium of \$15. It also issues a 4% debenture, \$300 000.

By which amount do the net assets of the company increase?

- A** \$250 000 **B** \$550 000 **C** \$1 000 000 **D** \$1 300 000

- 14** Which statements describe a capital reserve?

- 1 It is a reserve arising from a gain which is not yet realised.
- 2 It is a reserve created by transferring an amount from profit for the year.
- 3 It is a reserve which can be credited back to retained earnings if not used.

- A** 1, 2 and 3 **B** 1 and 2 only **C** 1 only **D** 2 and 3 only