

13 On 1 January 2022 a sole trader's inventory was valued at \$4500.

On 14 April 2022 there was a fire in his business premises.

Up to 14 April 2022 his sales were \$24 600 and his purchases were \$16 700.

He worked on a mark-up of $33\frac{1}{3}\%$.

Goods which had cost \$1485 were saved from the fire. This included some goods which had cost \$800 but as a result of the fire damage can now only be sold for \$650.

What was the **total** inventory loss for the business?

- A** \$1115 **B** \$1265 **C** \$1415 **D** \$2750

14 Which items would appear on the debit side of the dissolution account for a partnership?

- 1 costs of dissolution
- 2 net book value of the assets
- 3 proceeds of sales of assets
- 4 profit on dissolution

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

15 L and M were in partnership sharing profits and losses equally. They admitted a new partner, P.

The partners do **not** have a partnership agreement. The terms of P's admission were as follows:

- 1 Assets were revalued downwards by \$60 000.
- 2 Goodwill was valued at \$30 000 but was not retained in the books of account.

What will be the effect on L's capital account balance on the admission of P?

	effect due to revaluation	effect due to goodwill
A	decrease	increase
B	decrease	decrease
C	increase	increase
D	increase	decrease