

13 Dele and lyabo are partners in a business and share profits in the ratio of 3 : 1.

Their profit for the year is \$80 000.

The following information is available.

| | Dele \$ | lyabo \$ |
|----------------------|------------|-------------|
| interest on capital | 3000 | 2500 |
| interest on drawings | 500 | 1000 |

How will the residual profit be shared?

| | Dele \$ | lyabo \$ |
|----------|------------|-------------|
| A | 57 000 | 19 000 |
| B | 57 500 | 18 500 |
| C | 62 500 | 21 500 |
| D | 63 000 | 21 000 |

14 Which items only appear on the credit side of a partner's capital account?

- 1 goodwill in an agreed ratio split
- 2 opening balances
- 3 profit on revaluation of assets
- 4 transfers from current accounts

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

15 Which statements about limited companies are correct?

- 1 Debenture interest is recorded in the income statement.
- 2 Director's remuneration is recorded in the statement of changes in equity.
- 3 Share premium is a revenue reserve.

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