

- 15 Dua and Noor are in partnership sharing profits and losses equally.

They admitted Zee and now share profits and losses in the ratio Dua : Noor : Zee, 2 : 2 : 1.

On admission of Zee, tangible assets were reduced in value by \$20 000 and goodwill was valued at \$60 000, but was **not** retained in the books of account.

What was the **net** decrease on Noor's capital account?

- A \$4000                      B \$8000                      C \$10 000                      D \$14 000

- 16 The following information is available for a partnership.

	\$
profit for the year before interest	15 000
interest on partner's loan to the firm	1 000
interest on capital	2 000
drawings	10 000

Which profit figure is to be appropriated between the partners?

- A \$3000                      B \$13 000                      C \$14 000                      D \$15 000

- 17 Which item should **not** be recorded in a statement of changes in equity?

- A bonus issue of ordinary shares  
B dividends paid on ordinary shares  
C profit from operations for the year  
D transfer to general reserve

- 18 The following information has been extracted from the statement of financial position of a limited company.

	\$
6% debenture (2026–2028)	20 000
400 000 ordinary shares of \$1 each	400 000
5-year bank loan	200 000
share premium account	50 000
retained earnings	75 000

What is the value of the total equity?

- A \$525 000                      B \$545 000                      C \$695 000                      D \$725 000