

- 19** The following information is available for a limited company for a financial year ended on 31 December.

	\$
total equity on 1 January	492 000
profit for the year	70 500
dividends paid	24 000
dividends proposed	12 000

On 30 June, there was a bonus issue of 20 000 ordinary shares of \$1 each.

On 31 December, the following decisions were made.

- 1 The buildings are to be revalued at \$250 000. These had cost \$200 000 and the accumulated depreciation was \$50 000.
- 2 There is to be a transfer of \$5000 to the general reserve.

What is the total equity on 31 December after these adjustments have been made?

- A** \$588 500      **B** \$613 500      **C** \$618 500      **D** \$638 500

- 20** A business has a rate of inventory turnover of 17 times.

What is the numerator in the calculation?

- A** average inventory  
**B** closing inventory  
**C** cost of sales  
**D** credit sales