

- 11** The table shows transactions relating to a product during July. There was no opening inventory.

	units	\$ (per unit)
purchased	50	4
sold	30	10

Of the remaining units, 8 are damaged and therefore have no value.

What is the profit for July?

- A** \$68 **B** \$100 **C** \$148 **D** \$180

- 12** A trader provides the following financial information for the year ended 31 December.

gross margin	20%
cost of goods sold	\$220 000
drawings	\$7 000
profit for the year	\$28 000

How much are expenses?

- A** \$9000 **B** \$16 000 **C** \$20 000 **D** \$27 000

- 13** Why is goodwill adjusted in the books of account when a new partner is admitted?

- A** A more accurate value of non-current assets is shown in the statement of financial position.
B Original partners can be credited for their efforts in building up the partnership business.
C Partners can take higher drawings as a result of their share of the goodwill.
D The new partner knows how much they have to introduce as capital.

- 14** A partnership revalues its non-current assets upwards.

What are the ledger entries to record this?

	account to debit	account to credit
A	non-current assets	bank
B	non-current assets	partners' capital accounts
C	non-current assets	partners' current accounts
D	non-current assets	revaluation reserve