

- 18** A company uses the straight-line method of depreciation for all its non-current assets.

On 1 January the company bought machinery on hire purchase. The cash price was \$115 000 and the interest for the year is \$19 550. The estimated useful life of the machinery is five years with no residual value.

What is the charge for depreciation for the year ended 31 December?

- A** \$19 090 **B** \$23 000 **C** \$26 910 **D** \$42 550

- 19** A company has issued non-cumulative preference shares and ordinary shares.

Which statement is correct?

- A** If no preference dividend is paid, it is carried forward to a future year.
B Preference shareholders always get a dividend.
C Preference shareholders and ordinary shareholders always get a dividend.
D Preference shareholders may get a dividend.

- 20** A company has an authorised share capital of 1 000 000 \$0.50 ordinary shares. Its issued share capital is 800 000 shares. An ordinary dividend of 7½% is declared.

How much is payable to the shareholders?

- A** \$30 000 **B** \$37 500 **C** \$60 000 **D** \$75 000

- 21** A company has the following year end information.

	\$000
credit purchases	210
credit sales	630
total purchases	280
total sales	840
trade payables	30
trade receivables	80

How long do the company's credit customers take to pay?

- A** 35 days **B** 39 days **C** 47 days **D** 52 days