

**17** Which statement about goodwill is correct?

- A** Internally generated goodwill should be omitted from the statement of financial position.
- B** Purchased goodwill should be classed as a tangible non-current asset.
- C** Purchased goodwill should be omitted from the statement of financial position.
- D** The value of goodwill should never be included in the statement of financial position.

**18** W, X, Y and Z are in partnership.

What would be shown in the partnership appropriation account?

- A** drawings made by W
- B** goods taken for the personal use of Y
- C** interest on a loan made by Z
- D** interest on drawings made by X

**19** A trader uses the revaluation method of depreciation for loose tools.

On 1 January loose tools were valued at \$4620 and on 31 December at \$5740. During the year \$2010 was spent on purchasing new loose tools.

Which amount was charged to the income statement?

- A** \$890                      **B** \$1120                      **C** \$2010                      **D** \$3130

**20** What is the reason for providing depreciation on non-current assets?

- A** to provide sufficient funds to replace the non-current assets
- B** to show the assets at replacement cost on the statement of financial position
- C** to show the fall in value of the assets in the income statement
- D** to spread the cost of the assets over their estimated useful lives

**21** When is a share premium account opened?

- A** when shares are issued at a price above nominal value
- B** when shares are issued at a price below nominal value
- C** when shares are sold by a shareholder at a price above their nominal value
- D** when shares are sold by a shareholder at a price below their nominal value