

18 A company has the following reserves.

| | \$ |
|---------------------|--------|
| share premium | 60 000 |
| revaluation reserve | 75 000 |
| general reserve | 10 000 |
| retained earnings | 21 500 |

The directors wish to make a bonus issue of ordinary shares of \$1 each.

What is the maximum number of bonus shares which the company could possibly issue?

- A** 31 500
- B** 91 500
- C** 135 000
- D** 166 500

19 A business provided the information shown for a period.

| | \$ |
|--------------------------------|-----------|
| sales revenue | 1 500 000 |
| purchases | 1 000 000 |
| inventory at end of the period | 50 000 |

The rate of inventory turnover for the period was 12 times and the business attained a gross profit margin of 40%.

The business also made some purchases returns and incurred an amount for carriage inwards.

What was the value of inventory at the beginning of the period?

- A** \$100 000 **B** \$116 667 **C** \$128 572 **D** \$200 000