

- 9 During the past month, a business lost some inventory because of theft. The table shows the trading results for the month.

	\$
opening inventory, at cost	50 000
purchases	220 000
sales	300 000
closing inventory, at cost	16 000

The mark up is 25%.

What was the cost price of the stolen inventory?

- A** \$14 000 **B** \$16 000 **C** \$29 000 **D** \$34 000

- 10 Frank and George have been in partnership for a number of years, sharing profits and losses in the ratio 2:1. They decide to admit Harry into the partnership. The new profit and loss sharing ratio between Frank, George and Harry will be 3:2:1.

Goodwill is to be valued but will not remain in the books of account.

How does the introduction of Harry to the partnership affect the capital accounts of Frank and George?

	Frank capital account	George capital account
A	increase	decrease
B	increase	no change
C	no change	increase
D	no change	no change

- 11 Which item will **not** appear in the income statement of a sole trader?

- A** accounting charges
B bank loan interest
C director's fee
D hire charge for leased machinery