

12 A sole trader has provided the following information.

	\$
net assets at 1 January 2021	10 000
net assets at 31 December 2021	24 000
during the year ended 31 December 2021	
drawings for the year	3 200
cash introduced by owner	6 000
motor vehicle introduced by owner	2 500

What was the trader's profit for the year ended 31 December 2021?

- A** \$8000 **B** \$8700 **C** \$14 700 **D** \$19 300

13 What will apply to a partnership where there is **no** partnership agreement?

- A** Partners are entitled to interest on the capital they have contributed to the partnership.
B Partners are not charged interest on their drawings.
C Partners are entitled to salaries.
D Partners are not entitled to interest on loans they make to the partnership.

14 X and Y were in partnership sharing profits and losses equally.

On 1 January, P was admitted into the partnership. He contributed \$20 000 cash and \$10 000 other assets.

The non-current assets were revalued upwards by \$12 000 on this date.

There was no adjustment for goodwill.

Profits and losses continued to be shared equally.

What was the balance on P's capital account after all relevant entries had been made?

- A** \$20 000 **B** \$26 000 **C** \$30 000 **D** \$34 000

15 Daisy, Freddie and Harry, who shared profits equally, had been in partnership for some years. Harry decided to retire.

Harry's capital and current accounts had credit balances of \$40 000 and \$8000 respectively.

The total assets of the partnership had a book value of \$98 000 but a realisable value of \$116 000. There was no adjustment for goodwill.

Which amount did Harry receive from the partnership on his retirement?

- A** \$38 000 **B** \$42 000 **C** \$48 000 **D** \$54 000