

- 14** A new business was established with opening capital of \$15 000. At the end of the year net assets were \$20 000. During the year the proprietor's drawings were \$3 000 and this resulted in an overdraft at the end of the year of \$4 000.

What was the profit for the year?

- A** \$2 000                      **B** \$5 000                      **C** \$7 000                      **D** \$8 000

- 15** The manufacturing account of a business includes the following.

	\$
prime costs	143 260
production overheads	92 170
opening work-in-progress	5 720
closing work-in-progress	6 840
opening inventory of finished goods	29 480
closing inventory of finished goods	25 990

What was the cost of production?

- A** \$234 310                      **B** \$235 430                      **C** \$236 550                      **D** \$237 800

- 16** S and T are in partnership sharing profits and losses in the ratio 3 : 2.

Their fixed capital accounts have balances of S \$80 000 and T \$60 000. Interest is allowed on these at the rate of 6% per year.

Profit for the year was \$100 000.

What is the division of profits between the partners?

	S \$	T \$
<b>A</b>	49 400	50 600
<b>B</b>	50 600	49 400
<b>C</b>	59 760	40 240
<b>D</b>	60 000	40 000