

- 11** A company undervalued the closing inventory for its current accounting period.

How did this affect gross profit?

	current period	following period
<b>A</b>	no effect	no effect
<b>B</b>	understated	overstated
<b>C</b>	understated	no effect
<b>D</b>	understated	understated

- 12** For the year ended 31 December 2018, Sim's net assets increased by \$1210.

The following transactions took place during 2018.

- 1 Payments out of Sim's personal bank account: rent for business office \$3600, rent for personal residence \$2000.
- 2 Drawing of goods: with a cost \$6200 and sales value \$7700.
- 3 Drawing of cash: \$9750.

What was the profit for the year ended 31 December 2018?

- A** \$11 560      **B** \$13 560      **C** \$15 060      **D** \$15 160

- 13** Meena was a sole trader. On 1 July 2018, Hanna entered into a partnership with her sharing profits equally.

Profit for the year ended 31 December 2018 was \$168 000 accruing evenly over the year. An irrecoverable debt of \$8000 was incurred during March 2018 and it was agreed that this would be paid for by Meena.

What is Hanna's share of profit?

- A** \$40 000      **B** \$42 000      **C** \$44 000      **D** \$46 000