

**17** Which account is adjusted for the valuation of goodwill?

- A** appropriation
- B** bank
- C** capital
- D** premises

**18** A business sells inventory at a mark up of 20%. Some inventory has been stolen.

The following information is available.

|                        | 1 January 2012<br>\$ | 31 December 2012<br>\$ |
|------------------------|----------------------|------------------------|
| inventory              | 6 000                | 5 000                  |
| purchases for the year |                      | 101 000                |
| revenue                |                      | 120 000                |

What was the value of the inventory stolen?

- A** \$1000                      **B** \$1200                      **C** \$2000                      **D** \$6000

**19** ABC Ltd purchased a non-current asset for \$35 000 on 1 April 2009 and sold it on 1 October 2012 for \$14 500.

The company's year end is 31 December and their policy is to make no charge for depreciation in the year of disposal but a full year's charge in the year of purchase. The company uses the reducing balance method at the rate of 25% per annum.

What is the profit or loss made, to the nearest \$, on the disposal of the asset?

- A** \$265 loss
- B** \$265 profit
- C** \$5188 loss
- D** \$5188 profit