

16 What does the Profit and Loss Appropriation Account of a limited company show?

- A** capital and revenue reserves
- B** how net profit is applied
- C** how net profit is earned
- D** the directors' salaries

17 During the year ended 31 December 2001, the XY Sports Club received \$10 860 for subscriptions.

The following further information is available.

	Year ended 31 December	
	2000 \$	2001 \$
subscriptions owing	580	870
subscriptions received in advance	1 640	1 220

What is the figure for subscriptions in the Income and Expenditure Account for the year ended 31 December 2001?

- A** \$10 150 **B** \$10 510 **C** \$11 570 **D** \$12 270

18 A company makes a bonus issue of shares.

What is the effect on the net assets and the reserves in the Balance Sheet?

	net assets	reserves
A	increase	decrease
B	increase	unchanged
C	unchanged	decrease
D	unchanged	increase

19 At the beginning of the year a company has authorised share capital of 200 000 \$0.50 ordinary shares and issued share capital of 100 000 \$0.50 ordinary shares. During the year the company makes a further issue of 50 000 \$0.50 ordinary shares at a price of \$1.20 each.

What is the balance on the Share Capital account at the end of the year?

- A** \$75 000 **B** \$110 000 **C** \$125 000 **D** \$160 000