

**17** What could be used to fund a bonus issue of shares?

- 1 general reserve
- 2 retained earnings
- 3 share premium

- A** 1, 2 and 3
- B** 1 and 2 only
- C** 1 and 3 only
- D** 3 only

**18** The following is an extract from an income statement.

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revenue	180 000
costs of goods sold	(75 000)
distribution costs	(8 000)
administrative expenses	<u>(22 000)</u>
profit from operations	75 000
debenture interest	<u>(2 500)</u>
profit for the year	72 500

What was the operating expenses to revenue ratio?

- A** 16.7%
- B** 18.1%
- C** 58.3%
- D** 59.7%