

- 14** L and M are in partnership, sharing profits and losses in proportion to their capital invested. The following information is available:

		\$
capital:	L	68 000
	M	102 000
profit for the year before appropriation		28 900
drawings:	L	8 000
	M	12 000

No interest is charged on drawings up to \$10 000 for each partner.

Interest at a rate of 5% is charged on any drawings in excess of \$10 000.

What was L's share of residual profit?

- A** \$11 520 **B** \$11 600 **C** \$11 800 **D** \$11 960
- 15** Which item is shown in the statement of changes in equity?
- A** dividend proposed
- B** interest on long-term loan
- C** issue of debenture
- D** revaluation gain on non-current assets
- 16** Which statement about bonus shares is correct?
- A** They may be issued as repayment of debentures.
- B** They may be issued at a premium.
- C** They may be issued to the holders of preference shares.
- D** They may be issued using the share premium account.