

- 16** X, Y and Z are in partnership sharing profits and losses in the ratio 5 : 2 : 3.

Y is entitled to a salary of \$18 000 per annum.

Partners receive interest at 6% per annum on their capital account balances at the beginning of the year.

At the beginning of the year, capital account balances were as follows.

	\$
X	30 000
Y	22 000
Z	20 000

The profit for the year before Y's salary and partners' interest on capital is \$140 000.

What is Y's share of the total profits?

- A** \$23 536      **B** \$28 000      **C** \$42 856      **D** \$46 000

- 17** During the year, a business issued \$1 ordinary shares at \$1.20 each. The directors proposed a final dividend at the end of the year.

Which balances in the statement of changes in equity were affected by these transactions?

	ordinary share capital	share premium	general reserve	retained earnings
<b>A</b>	✓	✓		
<b>B</b>	✓	✓		✓
<b>C</b>	✓		✓	
<b>D</b>	✓			✓

- 18** The following items were taken from the bank transactions of a company for a period.

	\$
share issue proceeds	30 000
sale of non-current assets	5 000
dividend paid	9 000
increase in bank loan	6 000

What was the net increase in the company's bank balance as a result of these?

- A** \$28 000      **B** \$32 000      **C** \$38 000      **D** \$40 000