

19 A company profit and loss account includes:

	\$000
dividend	300
increase in stock	200
overheads	400
purchases	800

If the net profit percentage is 20 %, what is the figure for sales?

- A** \$1 120 000 **B** \$1 250 000 **C** \$1 625 000 **D** \$1 750 000

20 A shareholder sells some ordinary shares for more than he paid for them.

What is the effect on the company balance sheet?

	ordinary share capital	share premium account
A	decrease	decrease
B	decrease	increase
C	no effect	decrease
D	no effect	no effect

21 At the beginning of the year a company has authorised share capital of 800 000 ordinary shares of \$0.25 each and an issued share capital of 400 000 ordinary shares of \$0.25. During the year the company makes a further issue of 200 000 ordinary shares at a price of \$0.60.

What is the balance on the share capital account at the end of the year?

- A** \$150 000 **B** \$220 000 **C** \$250 000 **D** \$350 000