

**12** The partnership of Ravi and Tania, who shared profits equally, was dissolved.

The capital accounts prior to dissolution were Ravi \$50 000 and Tania \$60 000.

The current accounts balances prior to dissolution were Ravi \$35 000 credit and Tania \$35 000 credit.

The loss on disposal of partnership net assets was \$10 000.

How much money did each partner receive when the partnership was dissolved?

	Ravi \$	Tania \$
<b>A</b>	45 000	55 000
<b>B</b>	80 000	90 000
<b>C</b>	85 000	95 000
<b>D</b>	90 000	100 000

**13** A company issues 50 000 ordinary shares of \$5 each at a premium of \$15. It also issues a 4% debenture, \$300 000.

By which amount do the net assets of the company increase?

**A** \$250 000      **B** \$550 000      **C** \$1 000 000      **D** \$1 300 000

**14** Which statements describe a capital reserve?

- 1 It is a reserve arising from a gain which is not yet realised.
- 2 It is a reserve created by transferring an amount from profit for the year.
- 3 It is a reserve which can be credited back to retained earnings if not used.

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