

- 14** X and Y are in partnership sharing the profits equally. No Goodwill account is maintained in the accounts. Z joins the partnership and pays \$30 000 cash for his share of the Goodwill.

Profits are to be shared equally between X, Y and Z.

Which of the following correctly shows the increases in the accounts on the admission of Z into the partnership?

	cash \$	capital accounts		
		X \$	Y \$	Z \$
<b>A</b>	30 000	10 000	10 000	10 000
<b>B</b>	30 000	-	-	30 000
<b>C</b>	30 000	15 000	15 000	-
<b>D</b>	30 000	-	-	-

- 15** A business was started on 1 January. The purchases and sales of stock for January were:

date	Purchases	Sales
4 January	3 @ \$200	-
13 January	-	2 @ \$400
26 January	3 @ \$250	-
28 January	-	2 @ \$400

The business used the first in first out (FIFO) method of stock valuation.

What was the gross profit for January?

- A** \$650                      **B** \$700                      **C** \$750                      **D** \$1150

- 16** A company has an authorised share capital of 2 million \$0.25 ordinary shares of which 1.6 million are in issue. It is proposed to pay a dividend totalling \$40 000.

Which correctly describes the amount of dividend?

- A** an ordinary dividend of 8 %  
**B** an ordinary dividend of 10 %  
**C** an ordinary dividend of \$0.08 per share  
**D** an ordinary dividend of \$0.10 per share