

- 14** X and Y were in partnership and shared their profits equally. On 1 March 2019, Z is admitted as a partner.

In future they will share profits in the ratio X, Y and Z, 3:2:1. The net assets valued at \$20 000 have lost \$8000 in value. Goodwill is valued at \$9000 but will not be retained in the books of account.

What will the entries in the capital accounts of Y be to record these changes?

	debit \$	credit \$
A	4500	9000
B	4500	7000
C	6000	4500
D	7000	4500

- 15** The statement of financial position showed the following balances at 31 December 2019.

	L \$	M \$
capital accounts	20 000	10 000
current accounts	1 000 debit	2 500 credit

Net assets at 1 January 2019 were \$14 000.

Property had been revalued upwards by \$12 000 during the year ended 31 December 2019. No drawings had been made during the year.

What was the profit for the year ended 31 December 2019?

- A** \$2500 **B** \$5500 **C** \$14 500 **D** \$17 500

- 16** 'Shareholders are entitled to a fixed annual dividend with any unpaid dividends being paid out of future profits.'

What does this statement describe?

- A** cumulative preference shares
B debentures
C ordinary shares
D participating preference shares