

- 17 A partnership agreement only provides for interest on capital at a rate of 6% and interest on drawings at a rate of 8%.

What will be the interest payable on a loan from a partner?

- A 0%                      B 5%                      C 6%                      D 8%

- 18 L and M are in partnership. The following information relates to the financial year.

	L \$	M \$
drawings	20 000	30 000
interest on drawings	1 200	1 800
interest on partner's loan	8 000	
salary		20 000
residual profit share	36 000	18 000

What was the profit for the year?

- A \$71 000              B \$77 000              C \$79 000              D \$121 000

- 19 Which items will **not** form part of the equity of a limited company?

- 1 long-term bank loan
- 2 share premium
- 3 retained earnings
- 4 revaluation reserve

- A 1, 3 and 4              B 1 only                      C 2, 3 and 4              D 2 only

- 20 Which is an internal stakeholder?

- A bank  
B debenture holder  
C employee  
D potential investor