

18 A company has the following reserves.

	\$
share premium	60 000
revaluation reserve	75 000
general reserve	10 000
retained earnings	21 500

The directors wish to make a bonus issue of ordinary shares of \$1 each.

What is the maximum number of bonus shares which the company could possibly issue?

- A** 31 500
- B** 91 500
- C** 135 000
- D** 166 500

19 A business provided the information shown for a period.

	\$
sales revenue	1 500 000
purchases	1 000 000
inventory at end of the period	50 000

The rate of inventory turnover for the period was 12 times and the business attained a gross profit margin of 40%.

The business also made some purchases returns and incurred an amount for carriage inwards.

What was the value of inventory at the beginning of the period?

- A** \$100 000
- B** \$116 667
- C** \$128 572
- D** \$200 000