

15 Which items would appear in a partnership's appropriation account?

- 1 partners' interest on capital
- 2 partners' introduction of new capital
- 3 salaries of employees
- 4 salaries of partners

A 1 and 2 **B** 1 and 4 **C** 2 and 3 **D** 3 and 4

16 Which item will affect the total equity of a limited company?

- A** bonus issue of shares
- B** issue of debentures
- C** proposed dividend
- D** rights issue of shares

17 A company makes a fully subscribed rights issue of 100 000 ordinary shares of \$1 each at \$1.20. The market value of a share at that date was \$1.30. Half of the rights issue proceeds were used to repay a long-term loan.

By how much did the company's capital employed increase?

A \$60 000 **B** \$65 000 **C** \$120 000 **D** \$130 000

18 Where are dividends paid during the year recorded in the financial statements of a limited company?

- 1 income statement
- 2 statement of changes in equity
- 3 statement of financial position

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

19 Which ratios identify how well a business has utilised its resources?

- 1 inventory turnover
- 2 non-current asset turnover
- 3 profit margin
- 4 return on capital employed

A 1 and 2 **B** 1 and 4 **C** 2 and 3 **D** 3 and 4