

12 How should interest charged on a partner's drawings account be treated?

- A** credited to the appropriation account
- B** credited to the income statement
- C** debited to the appropriation account
- D** debited to the income statement

13 Kay and Lay share profits and losses in the ratio of 3 : 1. Capital account balances are Kay \$100 000 and Lay \$84 000. There was no goodwill account in the books.

The partners change the profit sharing ratio to 4 : 1. Goodwill is valued at \$54 000 and is not to be retained in the books of account.

What is the balance on Lay's capital account after the adjustment for goodwill?

- A** \$70 500 **B** \$81 300 **C** \$86 700 **D** \$97 500

14 A cricket club provides the following information.

	\$
subscriptions owing at 1 January 2014	340
subscriptions paid in advance at 1 January 2014	580
subscriptions received in the year ended 31 December 2014	3600
subscriptions owing at 31 December 2014	410
subscriptions paid in advance at 31 December 2014	320

What is the value of subscriptions in the income and expenditure account for the year ended 31 December 2014?

- A** \$3450 **B** \$3600 **C** \$3750 **D** \$3930