

- 12** X and Y are in partnership, sharing profits and losses equally. They agree to admit Z as an equal partner.

Z is to introduce \$100 000 as capital and his share of goodwill. The partnership's goodwill is \$60 000 and all adjustments are to be made in the capital accounts.

What is the balance on Z's capital account after his admission to the partnership?

- A** credit \$80 000
- B** credit \$160 000
- C** debit \$20 000
- D** debit \$60 000

- 13** There were three partners in a partnership.

The total of their current accounts at the start of the year was \$18 000 and at the end of the year was \$32 000.

Drawings for the year amounted to \$22 000 and partners' salaries were \$13 000.

What was the profit for the year?

- A** \$5000                      **B** \$14 000                      **C** \$23 000                      **D** \$36 000

- 14** Which items would appear in a partnership's appropriation account, in the absence of a partnership agreement?

- 1 profit for the year
- 2 partners' interest on drawings
- 3 partners' salaries
- 4 partners' share of profits

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

- 15** Which event does **not** require entries in a company's ledger accounts?

- A** a bonus issue of shares
- B** a rights issue of shares at a price above nominal value
- C** a sale by a shareholder of shares at a price above nominal value
- D** an issue of the company's shares at par value