

- 18** A business has two departments.

	profit for the year \$	revenue for the year \$	number of staff \$	floor space occupied/ square metres
department X	25 000	84 000	2	1500
department Y	65 000	204 000	4	2500
	<u>90 000</u>	<u>288 000</u>	<u>6</u>	<u>4000</u>

Total rent expense in the income statement is \$72 000.

What is the rent cost apportioned to each department?

	department X \$	department Y \$
A	20 000	52 000
B	21 000	51 000
C	24 000	48 000
D	27 000	45 000

- 19** A company raises cash by issuing 8% debentures.

What is the effect on the company's profits and equity in the year of issue?

	profits	equity
A	decrease	decrease
B	decrease	no effect
C	increase	decrease
D	increase	no effect

- 20** A business sells goods at a mark up of 33.3%.

Information for a year is given.

	\$
revenue	600 000
opening inventory	53 000
closing inventory	68 000

What are the total purchases for the year?

- A** \$415 000 **B** \$435 000 **C** \$450 000 **D** \$465 000