

**21** The draft financial statements of a business for the year ended 30 June included the following:

	\$
revenue	280 000
gross profit	60 000

It was subsequently discovered that the closing inventory was understated by \$10 000.

What was the gross profit margin **after** correcting this error?

- A** 17.9%      **B** 20.7%      **C** 21.4%      **D** 25.0%

**22** The following information is available for a company.

sales revenue for the year	\$1 600 000
debenture interest paid	\$60 000
gross profit margin	20%
operating expenses to revenue ratio	12%
return on capital employed	16%

What is the company's capital employed?

- A** \$256 000      **B** \$425 000      **C** \$800 000      **D** \$2 000 000

**23** What are the benefits of operating a just in time (JIT) system of inventory management?

- 1 increased efficiency
- 2 reduced warehouse costs
- 3 reduced waste

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

**24** Eight employees work in a team. Each employee is paid \$16 an hour and the team share a group bonus between them, which is based on their output of product. For any production in excess of 500 units the team, as a group, is paid a bonus of \$8 per unit. The bonus is shared equally and paid on a weekly basis.

Last week, each member of the team worked 40 hours, and the team as a whole produced 560 units.

What is the pay of each member of the team?

- A** \$700      **B** \$760      **C** \$1120      **D** \$1200