

- 21** A company has a current ratio of 2:1. Its bank balance is \$80 000 debit and its current liabilities are \$200 000.

It then issues 50 000 new ordinary shares of \$1 each at a premium of \$0.10 per share.

What is the new current ratio?

- A** 2.25:1      **B** 2.28:1      **C** 2.67:1      **D** 2.76:1

- 22** During the year ended 31 March 2015, a business made sales of \$560 000 of which 25% were for cash. The trade receivables at 31 March 2014 were \$52 000 and at 31 March 2015 they were \$56 000.

What is the trade receivables turnover based on average trade receivables?

- A** 34 days      **B** 36 days      **C** 47 days      **D** 49 days

- 23** The following information relates to a product.

	\$
fixed costs	72 000
required profit	30 000
selling price per unit	10
variable cost per unit	4

How many units must be produced and sold to cover fixed costs and make the required profit?

- A** 12 000  
**B** 17 000  
**C** 18 000  
**D** 25 500

- 24** A company has sales of \$192 000, fixed costs of \$40 000 and a contribution/sales ratio of one-third.

What are its profits?

- A** \$24 000      **B** \$50 667      **C** \$64 000      **D** \$88 000