

**23** A company has the following assets and liabilities.

current assets	\$	current liabilities	\$
inventory	55 000	trade payables	62 000
trade receivables	60 000	other payables	38 000
bank	40 000	non-current liabilities	
		10% debenture (2025)	40 000

What is the liquid (acid test) ratio?

- A** 0.714:1      **B** 0.967:1      **C** 1:1      **D** 1.55:1

**24** A business has the following current assets and current liabilities.

	\$
trade receivables	6000
bank overdraft	1500
cash in hand	50
trade payables	5050

The only other item in the working capital is inventory.

The current ratio is 2:1.

What is the value of the inventory?

- A** \$2550      **B** \$4050      **C** \$5550      **D** \$7050