

- 2 Luing Limited's financial information for the year ended 31 December 2012 revealed the following:

Gross profit ratio	35%
Net profit ratio	14%
Rate of inventory turnover	10 times
Trade payables turnover	42 days
Trade receivables turnover	58 days
Current ratio	3:1
Inventory at 1 January 2012	\$7 800 000
Total revenue (all on credit) for 2012	\$85 000 000

All purchases were on credit.

REQUIRED

- (a) the year ended 31 December 2012, calculate

- (i) Gross profit

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..... [2]

- (ii) Cost of sales

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..... [2]

- (iii) Closing inventory

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..... [4]

- (iv) Ordinary goods purchased

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..... [3]

(v) Profit for the year

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..... [2]

(vi) Expenses

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..... [2]

(vii) Trade payables

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..... [3]

(viii) Trade receivables

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..... [3]

(b) Identify **three** possible users of accounting ratios other than the directors of the company. State what information the users would obtain from the ratios.

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