

- 20** The following financial information is available for a business. All purchases and sales are made on credit.

|                         | \$      |
|-------------------------|---------|
| raw materials purchased | 121 980 |
| revenue                 | 209 980 |
| trade payables          | 45 448  |
| trade receivables       | 28 765  |

What is the average collection period?

- A** 50 days      **B** 79 days      **C** 86 days      **D** 136 days

- 21** The following items appear on a statement of financial position.

|                              | \$     |
|------------------------------|--------|
| inventory                    | 20 000 |
| balance at bank              | 2 000  |
| cash in hand                 | 1 500  |
| trade payables               | 11 000 |
| provision for doubtful debts | 500    |

The current ratio is 3 : 1.

How much do the trade receivables owe?

- A** \$9500      **B** \$10 000      **C** \$12 000      **D** \$12 500

- 22** A company's financial statements show the following.

|                         | \$      |
|-------------------------|---------|
| profit before interest  | 125 378 |
| profit for the year     | 120 426 |
| 200 000 shares \$1 each | 200 000 |
| retained earnings       | 191 982 |
| debentures              | 150 000 |

What is the return on capital employed (ROCE)?

- A** 22.22%      **B** 23.13%      **C** 30.72%      **D** 31.99%