

19 The bank balance of a limited company was \$390 000 before the following transactions took place.

- 1 An issue of 500 000 new shares of \$0.50 each was made at a premium of \$0.25 per share.
- 2 A debenture for \$100 000 was repaid.
- 3 A bonus issue of 100 000 shares of \$0.50 each was made.

What was the bank balance after these transactions?

- A** \$540 000 **B** \$665 000 **C** \$715 000 **D** \$865 000

20 What might cause a decrease in a company's non-current asset turnover?

- A** increase in expenses
B increase in sales revenue
C purchase of new non-current assets
D selling non-current assets

21 The following information for a limited company at 31 December 2021 is available.

	\$
ordinary share capital	300 000
retained earnings	110 000
8% debenture	100 000

Retained earnings at 1 January 2021 were \$82 000. An interim dividend of \$45 000 was paid on 1 May 2021.

What was the return on capital employed for the year ended 31 December 2021?

- A** 6.83% **B** 7.06% **C** 14.31% **D** 15.88%

22 Which statements about stepped costs are correct?

- 1 fixed within a range of activity levels
- 2 fixed whatever the level of activity
- 3 include fixed costs only
- 4 include both fixed and variable costs

- A** 1 and 3 **B** 1 and 4 **C** 2 and 3 **D** 2 and 4