

17 A company issues 500 000 \$1 ordinary shares for \$3 each and \$250 000 debentures of 6%.

By which amount will the net assets of the company increase?

- A** \$750 000
- B** \$1 250 000
- C** \$1 500 000
- D** \$1 750 000

18 Which ratio calculates the average time a business takes to pay its credit suppliers?

- A** current ratio
- B** liquid (acid test) ratio
- C** trade payables turnover
- D** trade receivables turnover

19 The financial statements of a company include the following:

| | \$ |
|--------------------------|---------|
| profit for the year | 245 000 |
| finance costs | 120 000 |
| preference share capital | 220 000 |
| ordinary share capital | 850 000 |
| general reserves | 140 000 |
| retained earnings | 260 000 |

What is the return on capital employed (ROCE)?

- A** 16.67%
- B** 22.90%
- C** 24.83%
- D** 34.11%