

21 A company has calculated inventory turnover periods for two successive years.

year	inventory turnover in days
1	90
2	120

Company directors have suggested the following reasons for the change.

- 1 Purchases have decreased.
- 2 Purchases have increased.
- 3 Sales have decreased.
- 4 Sales have increased.

What are the possible reasons for the change?

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

22 The following information is available for a business at the end of its financial year.

	\$
credit purchases	140 000
credit sales	220 000
total purchases	160 000
total sales	250 000
trade payables	15 000
trade receivables	16 000

What is the trade receivables turnover?

- A** 24 days **B** 27 days **C** 35 days **D** 40 days