

- 22** On 1 May, a trader lost all of his inventory in a fire. He has figures for sales and purchases and wishes to calculate the value of the inventory lost.

Which ratio should he use?

- A** gross profit percentage
- B** net profit percentage
- C** trade payables turnover
- D** trade receivables turnover

- 23** The following information is available about two similar businesses.

	X	Y
sales	\$30 000	\$35 000
gross profit percentage	60%	62%
net profit percentage	30%	8%

Which business is better at controlling its costs?

	cost of sales	expenses
<b>A</b>	X	X
<b>B</b>	X	Y
<b>C</b>	Y	X
<b>D</b>	Y	Y

- 24** A business has a non-current asset turnover of two times, based on non-current assets valued at \$250 000 at the end of 2011. The company uses the reducing balance method to depreciate its non-current assets at 25% per annum.

In 2012 sales revenue increased by 20%. There were no purchases or disposals of non-current assets during the year.

What is the non-current asset turnover for 2012?

- A** 2.13 times      **B** 2.40 times      **C** 2.67 times      **D** 3.20 times

- 25** Which cost will fall as production is reduced?

- A** fixed costs per unit
- B** total fixed costs
- C** total variable costs
- D** variable costs per unit