

**19** Which ratios are efficiency ratios?

- 1 expenses to revenue ratio
- 2 inventory turnover
- 3 non-current asset turnover
- 4 return on capital employed

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

**20** The following information is available for a limited company.

closing inventory	\$30 000
increase in inventory from the start of the year	50%
rate of inventory turnover	8 times
gross profit for the year	\$200 000

What was the company's sales revenue for the year?

**A** \$360 000      **B** \$400 000      **C** \$440 000      **D** \$600 000

**21** Which item is a direct cost?

- A** carriage inwards on production materials
- B** cleaning materials for the factory
- C** factory rent
- D** wages of the factory manager

**22** A business pays its employees \$2 for each unit of X they assemble and \$3.20 for each unit of Y. Monthly output is 1800 units of X and 1000 units of Y. The factory supervisor is paid \$1000 per month.

What is the direct labour cost per month?

**A** \$6800      **B** \$7760      **C** \$7800      **D** \$8760

**23** An employee works a 35-hour week and is paid an hourly rate of \$24.

In addition to basic pay she receives a bonus of 25% of her hourly rate. This is calculated using time saved against the target units produced. Each unit should take 15 minutes to produce.

For a 35-hour week she produced 170 units. Of these, 2 units were rejected and her total pay was reduced by \$2.50 per unit.

What were her wages for the week?

**A** \$840      **B** \$880      **C** \$885      **D** \$890