

**18** Why would employees be interested in their employer's financial statements?

- A** to assess whether the business can continue to trade in the foreseeable future
- B** to compare their salaries with the employees of competitors
- C** to put a value on the goodwill of the business
- D** to understand the impact of the business on the economy

**19** A business has provided the following information.

costs of sales	\$240 000
gross margin	25%
profit for the year	\$16 000

What was the expenses to revenue ratio to the nearest whole percent?

- A** 15%                      **B** 18%                      **C** 20%                      **D** 27%

**20** A business apportions some of its overhead expenses across its production departments.

Why might building maintenance costs **not** be included with the other overheads being apportioned?

- A** Building maintenance costs are fixed.
- B** Building maintenance is not necessary for production to take place.
- C** No suitable basis for apportionment can be found.
- D** They can be identified with specific cost centres.

**21** The following information is provided by a hotel for a 30 day period.

	rooms with two beds	single rooms
number of letting bedrooms	180	60
average number of rooms occupied per day	150	50
number of guests in period	5250	
average length of stay	2 days	
payroll and cleaning costs	\$300 000	

What is the average cost per occupied bed per day?

- A** \$23.80      **B** \$28.57      **C** \$50.00      **D** \$57.14