

- 19** A company buys and sells all of its inventory on a credit basis.

The following information is available.

| | \$ |
|-------------------|---------|
| purchases | 450 000 |
| sales | 500 000 |
| trade payables | 80 000 |
| trade receivables | 120 000 |

Which period of credit was taken by customers?

- A** 59 days
 - B** 65 days
 - C** 88 days
 - D** 98 days
- 20** A company purchases a product that costs \$120. The company expects to make a gross margin of one-third.

What is the company's mark-up?

- A** \$40 **B** \$60 **C** \$160 **D** \$180
- 21** A business manufactures electric motors.

Which cost can be classified as a direct cost?

- A** assembly workers' wages
 - B** factory rent
 - C** machine depreciation
 - D** sales person's commission
- 22** An employee is paid \$16 an hour basic pay for working 7 hours a day.

Overtime is paid at the rate of time and a half.

A bonus is also paid at the rate of \$32 per unit for output in excess of 9 units per day.

On Monday the employee worked 10 hours and produced 12 units.

What was the employee's total pay for Monday?

- A** \$232 **B** \$280 **C** \$520 **D** \$568