

20 Which business is likely to have the lowest Gross Profit/Sales margin?

- A** a car manufacturer
- B** a computer software company
- C** a jewellery shop
- D** a supermarket

21 The table shows an extract from a company's accounts for the year ended 31 December 2001.

	\$
credit sales	100 000
cost of sales	80 000
debtors	16 438
creditors	12 329

What is the debtor collection period?

- A** 30 days **B** 45 days **C** 60 days **D** 75 days

22 The table gives information taken from the Balance Sheets of a company for three successive years.

	year 1	year 2	year 3
stock at valuation	\$22 000	\$29 000	\$27 000
trade debtors	\$102 000	\$91 000	\$81 000
trade creditors	\$63 000	\$76 000	\$75 000
taxation and dividends payable	\$17 000	\$23 000	\$22 000

What do these figures show about the company's liquidity?

- A** It declined in year 2, but no further in year 3.
- B** It declined in year 2, but then improved in year 3.
- C** It has continually declined over the 3 years.
- D** It has continually improved over the 3 years.