

- 19** The issued ordinary share capital of a company at the beginning of a period was \$240 000 (nominal value \$0.60 per share).

A rights issue of one share for every five held was made during the period at a price of \$0.90 per share. At that time the market price was \$1.10 per share.

What was the issued ordinary share capital after the rights issue?

- A** \$288 000      **B** \$292 800      **C** \$312 000      **D** \$328 000

- 20** In 2014 a company was entirely financed by its equity and reserves which total \$1 000 000. Its return on capital employed was 28%.

On 1 January 2015 the company issued a 10% debenture of \$300 000.

During 2015 the profit from operations increased by 20%. No dividends were paid.

What was the return on capital employed for 2015?

- A** 19.1%      **B** 20.9%      **C** 23.4%      **D** 25.8%

- 21** Which action will improve the current ratio?

- A** providing a cash discount to trade receivables
- B** requesting a longer payment period from suppliers
- C** selling non-current assets for cash
- D** increasing a bank overdraft

- 22** Raj, a supplier of goods, has calculated the following ratios from the financial statements of a possible new customer.

- 1 current ratio
- 2 non-current asset turnover
- 3 trade payables turnover
- 4 trade receivables turnover

Which ratios would help Raj decide whether or not to supply goods?

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