

- 21** A company had a trade receivables collection period of 80 days in 2011 and 100 days in 2012. Total revenue was the same for both years.

Which statement explains the change?

- A** Customers took advantage of cash discounts.
- B** Profit margins have improved.
- C** Several major customers suffered cash flow problems.
- D** The company entered into a debt factoring arrangement.

- 22** A company's financial statements show the following.

	\$
profit from operations	160 000
finance charges	40 000
ordinary share capital	500 000
retained earnings	250 000
debentures	300 000

What is the return on capital employed?

- A** 15.2% **B** 16% **C** 21.3% **D** 24%

- 23** The following information has been taken from a statement of financial position.

	\$
non-current assets	150 000
capital and reserves	170 000
current liabilities	5 000

What is the current ratio?

- A** 3:1 **B** 4:1 **C** 5:1 **D** 6:1