

- 18** A company makes a bonus issue of shares.

What is the effect on the net assets and the reserves in the balance sheet?

	net assets	reserves
A	increase	decrease
B	increase	unchanged
C	unchanged	decrease
D	unchanged	increase

- 19** The capital structure of a company is shown.

	\$
700 000 ordinary shares of \$0.25 each	175 000
8 % loan stocks	160 000

During the year the company made profits before interest of \$105 000. The directors wish to distribute as much of the profits as possible by way of dividend.

What is the dividend per share?

- A** \$0.1317 **B** \$0.15 **C** \$0.5268 **D** \$0.60

- 20** What does the ratio of current assets / current liabilities show?

- A** asset usage
- B** liquidity
- C** profitability
- D** return on capital employed

- 21** A business turns over its stock 5 times a year. Average stock is \$54 000 and sales are made at a mark-up of one third.

How much are the sales?

- A** \$240 000
- B** \$270 000
- C** \$320 000
- D** \$360 000