

- 24** Which of the following actions would improve the liquidity (acid test) ratio of a business in the short term?

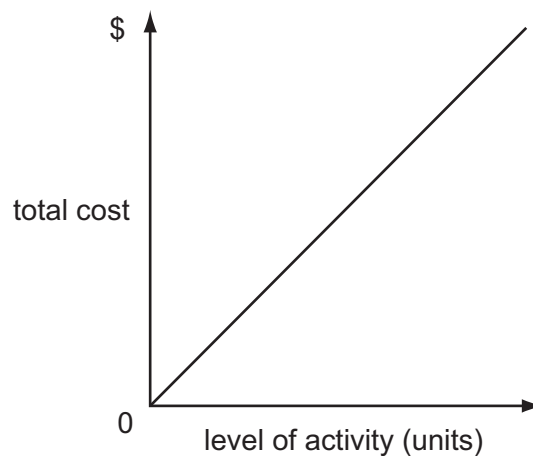
1	debtors paying their debts
2	delaying paying creditors
3	selling a number of surplus fixed assets
4	selling stock

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

- 25** Which of the following is always included in prime cost?

- A** carriage outwards  
**B** depreciation of machinery  
**C** opening work-in-progress  
**D** royalties on production

- 26** The graph shows the way in which a cost increases according to the level of activity of the business.



Which cost follows this pattern?

- A** administrative salaries  
**B** commission on sales  
**C** depreciation of factory  
**D** office rent