

**17** A company issues 500 000 \$1 ordinary shares for \$3 each and \$250 000 debentures of 6%.

By which amount will the net assets of the company increase?

- A** \$750 000
- B** \$1 250 000
- C** \$1 500 000
- D** \$1 750 000

**18** Which ratio calculates the average time a business takes to pay its credit suppliers?

- A** current ratio
- B** liquid (acid test) ratio
- C** trade payables turnover
- D** trade receivables turnover

**19** The financial statements of a company include the following:

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profit for the year	245 000
finance costs	120 000
preference share capital	220 000
ordinary share capital	850 000
general reserves	140 000
retained earnings	260 000

What is the return on capital employed (ROCE)?

- A** 16.67%
- B** 22.90%
- C** 24.83%
- D** 34.11%