

**1B** Fred owns a general trading business. The following balances were extracted from his books at 30 April 2010.

	\$
Revenue (sales)	300 000
Opening inventory (stock)	18 000
General expenses	36 000
Trade payables (creditors)	64 000
Trade receivables (debtors)	60 000
Cash and cash equivalents (bank)	3 000
Closing capital	500 000

Additional information

- 1 The gross profit margin is 20%
- 2 There were no other current assets and current liabilities at the year end.
- 3 Closing inventory (stock) was valued at \$22 000.

**REQUIRED**

**(a)** Calculate the following ratios for Fred. Give your answer to **two** decimal places.

Show **all** workings.

**(i)** Inventory (stock) turnover

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(ii) Return on capital employed

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(iii) Liquid ratio (acid test)

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[Total 30]