

**19** A company's profit from operations was \$128 000.

Interest payable was \$8000.

The following amounts were included in the company's balance sheet.

	\$
non-current assets	485 000
net current assets	27 000
non current liabilities	80 000

How much is the return on the total capital employed?

- A** 20.3 %      **B** 21.6 %      **C** 23.4 %      **D** 25.0 %

**20** A business has \$10 000 in the bank and buys inventory for \$6000 paying by cheque.

What is the effect of this on its current ratio and quick (acid test) ratio?

	current ratio	quick (acid test) ratio
<b>A</b>	decreases	increases
<b>B</b>	decreases	no effect
<b>C</b>	no effect	decreases
<b>D</b>	no effect	no effect

**21** The following data is available at the end of a financial year.

opening inventory	\$60 000
purchases	\$420 000
closing inventory	\$80 000
mark up	25 %
trade receivables turnover	50 days

Sales are all on credit and accrue evenly over the year.

What is the amount of trade receivables at the end of the year (to the nearest \$500)?

- A** \$55 000      **B** \$57 500      **C** \$68 500      **D** \$72 000