

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

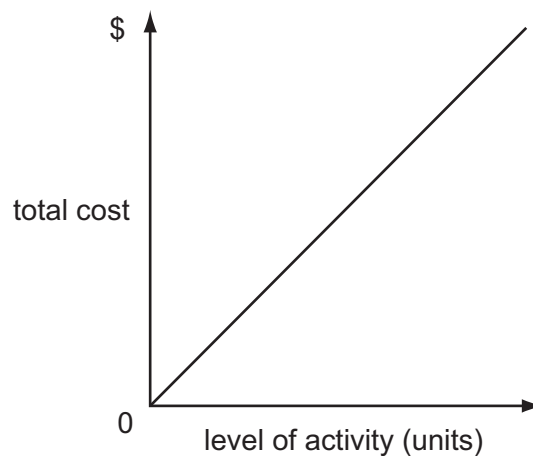
1	debtors paying their debts
2	delaying paying creditors
3	selling a number of surplus fixed assets
4	selling stock

- 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