

**19** A company wants to increase its return on capital employed in the short term.

Which course of action will achieve this?

- A** invest in new plant and machinery
- B** make a bonus issue of shares
- C** reduce overhead expenses
- D** reduce the dividends paid to investors

**20** Which item is included in the current ratio but **not** the liquid (acid test) ratio?

- A** cash at bank
- B** inventory
- C** trade payables
- D** trade receivables

**21** A business has prepared the following information for the year ended 30 April 2015.

	\$	\$
revenue		220 000
opening inventory	25 000	
purchases	120 000	
closing inventory	<u>(31 000)</u>	
cost of goods sold		<u>114 000</u>
gross profit		106 000

What was the inventory turnover?

- A** 86 days
- B** 90 days
- C** 95 days
- D** 100 days

**22** An employee works a standard 40-hour week. In that time he is expected to make 200 complete units.

He is paid a bonus of \$10 for every hour saved in production.

For week 25 he worked 44 hours and produced 250 units.

How much was his bonus payment for week 25?

- A** \$30
- B** \$40
- C** \$50
- D** \$60