

21 A company issues shares at a premium.

Which effect does the issue have on the company's statement of financial position?

	net assets	share capital
A	decrease	decrease
B	decrease	no effect
C	increase	increase
D	increase	no effect

22 A company's financial statements include the following.

	\$
profit before interest	200 000
profit for the year	140 000
issued share capital	500 000
reserves	160 000
non-current liabilities	380 000

What is the return on capital employed?

A 19.2% **B** 21.2% **C** 30.3% **D** 40.0%

23 A business sells a single product.

This year the gross profit margin and net profit margin were both lower than last year.

What is the reason for this change?

- A** decrease in carriage out
- B** decrease in sales returns
- C** increase in carriage in
- D** increase in purchases returns