

- 19** A company buys and sells all of its inventory on a credit basis.

The following information is available.

	\$
purchases	450 000
sales	500 000
trade payables	80 000
trade receivables	120 000

Which period of credit was taken by customers?

- A** 59 days
  - B** 65 days
  - C** 88 days
  - D** 98 days
- 20** A company purchases a product that costs \$120. The company expects to make a gross margin of one-third.

What is the company's mark-up?

- A** \$40                      **B** \$60                      **C** \$160                      **D** \$180
- 21** A business manufactures electric motors.

Which cost can be classified as a direct cost?

- A** assembly workers' wages
  - B** factory rent
  - C** machine depreciation
  - D** sales person's commission
- 22** An employee is paid \$16 an hour basic pay for working 7 hours a day.

Overtime is paid at the rate of time and a half.

A bonus is also paid at the rate of \$32 per unit for output in excess of 9 units per day.

On Monday the employee worked 10 hours and produced 12 units.

What was the employee's total pay for Monday?

- A** \$232                      **B** \$280                      **C** \$520                      **D** \$568