

**23** Which of the following measures a business' average credit period?

- A** current ratio
- B** inventory turnover
- C** liquid (acid test) ratio
- D** trade receivables turnover

**24** Which expense would be classified as a variable cost of a furniture manufacturer?

- A** factory manager's salary
- B** plant depreciation
- C** royalties
- D** vehicle insurance

**25** A company has the following annual costs.

	\$
purchases of raw materials during the year	53 000
wages and salaries: production staff	110 000
administration staff	56 000
production overheads	16 000
administration expenses excluding wages	42 000
selling and distribution overheads	34 000

What is the total indirect cost for the year?

- A** \$132 000      **B** \$148 000      **C** \$163 000      **D** \$258 000

**26** Which statement is correct?

- A** Fixed costs per unit decrease as production increases.
- B** Total fixed costs decrease as production increases.
- C** Total variable costs decrease as production increases.
- D** Variable costs per unit decrease as production increases.