

22 Assets and liabilities of a business at its year end include the following information.

	\$
accruals	5 000
bank overdraft	6 800
cash	600
prepayments	4 500
proposed dividend	12 000
stock	51 800
trade creditors	20 100
trade debtors	24 200

What is the current ratio?

- A** 0.67 : 1 **B** 1.85 : 1 **C** 2.19 : 1 **D** 2.54 : 1

23 Which 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

24 A business has a debtor turnover period of 40 days based on year end debtors. Annual sales are \$180 000 of which 13 % are cash sales.

What is the year end debtors figure based on a year of 360 days?

- A** \$2600 **B** \$17 400 **C** \$20 000 **D** \$45 200

25 A company has an issued ordinary share capital of 240 000 ordinary shares of \$0.50 each.

The company pays a total ordinary share dividend of \$9600.

The current market price of an ordinary share is \$3.20.

What is the current dividend yield?

- A** 1.25 % **B** 2 % **C** 4 % **D** 8 %