

- 1 After completion of the Trading Account, the following balances were extracted from the books of Peter Jordan plc on 30 April 2006.

Additional information at 30 April 2006:

(a) Prepare Peter Jordan plc's Profit and Loss and Appropriation Account for the year ended 30 April 2006.

[11]

[13]

(c) (i) Calculate the current ratio at 30 April 2006 to **two** decimal places.

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(ii) Calculate the acid test (quick) ratio at 30 April 2006 to **two** decimal places.

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(iii) Explain the uses of these two ratios, using Peter Jordan plc as an example.

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