

- 20** The following financial information is available for a business. All purchases and sales are made on credit.

	\$
raw materials purchased	121 980
revenue	209 980
trade payables	45 448
trade receivables	28 765

What is the average collection period?

- A** 50 days **B** 79 days **C** 86 days **D** 136 days
- 21** The following items appear on a statement of financial position.

	\$
inventory	20 000
balance at bank	2 000
cash in hand	1 500
trade payables	11 000
provision for doubtful debts	500

The current ratio is 3 : 1.

How much do the trade receivables owe?

- A** \$9500 **B** \$10 000 **C** \$12 000 **D** \$12 500
- 22** A company's financial statements show the following.

	\$
profit before interest	125 378
profit for the year	120 426
200 000 shares \$1 each	200 000
retained earnings	191 982
debentures	150 000

What is the return on capital employed (ROCE)?

- A** 22.22% **B** 23.13% **C** 30.72% **D** 31.99%