

**21** The table shows information for a business at the year end.

	\$000
average stock	25
credit sales	150
credit purchases	112
total purchases	140
trade creditors	28
trade debtors	39

What is the payment period for creditors (to the nearest day)?

- A** 68 days      **B** 73 days      **C** 91 days      **D** 95 days

**22** The accounts of a business show that it has increased its sales revenue by 50 % in one year whilst its cost of sales has increased by 60 % over the same period.

What is the explanation for the change in profit margin?

- A** an increase in marketing expenses  
**B** an increase in sales price  
**C** an increase in sales volume  
**D** an increase in supplier price

**23** The table shows the capital structure of a company.

	\$000
ordinary shares of \$1 each	100
share premium account	200
retained profits	<u>300</u>
	600
15 % loan stock (issued 5 years ago)	<u>400</u>
	<u>1000</u>

Operating profits average \$260 000 per annum.

What is the return on shareholders' funds?

- A** 26.0 %      **B** 33.3 %      **C** 43.3 %      **D** 66.7 %