

- 22** Which of the following correctly shows the effect of a company increasing the value of its freehold property?

	asset use ratio	gearing
<b>A</b>	decrease	decrease
<b>B</b>	decrease	increase
<b>C</b>	increase	decrease
<b>D</b>	increase	increase

- 23** What might cause working capital to fall?

- A** an amount owing by a customer has turned out to be a bad debt
- B** an old delivery van has been given in full exchange for a new computer
- C** a payment of cash has been made to a trade creditor
- D** new stock has been purchased on credit

- 24** The following information has been taken from a recent balance sheet of a business.

	\$000
fixed assets	150
capital	170
current liabilities	5

What is the current ratio?

- A** 3:1                      **B** 4:1                      **C** 5:1                      **D** 6:1