

20 The following financial information is available.

	\$
trade payables	10 000
bank overdraft	4 400
trade receivables	20 000
other receivables	600
other payables	1 600
non-current liabilities	5 000

The business has a current ratio of 2.5 : 1.

What is the value of inventory?

- A** \$15 900 **B** \$16 900 **C** \$19 400 **D** \$31 900

21 Analysis of a business's financial statements shows the following.

	net profit ratio (%)	inventory turnover (days)
2011	21	62
2012	23	58
2013	26	53

Revenue has stayed the same over the three years.

Which statement is correct?

- A** Profitability is decreasing and inventory is decreasing.
B Profitability is decreasing and inventory is increasing.
C Profitability is increasing and inventory is decreasing.
D Profitability is increasing and inventory is increasing.