

- 18** The following items were taken from the financial statements of a limited company during a period.

	\$
increase in trade receivables	6 000
increase in trade payables	4 000
loan repaid	10 000

What was the effect of these items on the net cash inflow or outflow for the period?

- A** \$8000 outflow
 - B** \$12 000 inflow
 - C** \$12 000 outflow
 - D** \$20 000 outflow
- 19** The following information is available for a limited company.

At 1 April 2021 the balance of the retained earnings account was \$858 000.

for the year ended 31 March 2022	\$
profit from operations	978 000
debenture interest paid for the year	100 000
ordinary share dividends paid	150 000

On 31 March 2022 the directors transferred \$280 000 to a general reserve. They also issued 250 000 bonus shares of \$1 each using the general reserve.

What was the balance of the retained earnings account at 31 March 2022?

- A** \$1 056 000 **B** \$1 306 000 **C** \$1 406 000 **D** \$1 586 000
- 20** What does return on capital employed measure for a business?
- A** efficiency to generate profit from its total assets
 - B** efficiency to generate profit from its total liabilities
 - C** efficiency to generate profit from its non-current assets
 - D** efficiency to generate profit from its shareholders' equity and non-current liabilities