

**20** Raj, a supplier of goods, has calculated the following ratios from the financial statements of a possible new customer.

- 1 current ratio
- 2 non-current asset turnover
- 3 trade payables turnover
- 4 trade receivables turnover

Which ratios would help Raj decide whether or not to supply goods?

- A** 1 and 2      **B** 1 and 3      **C** 2 and 3      **D** 3 and 4

**21** The following information is available for a business for the year ended 31 December.

	\$000
revenue	800
purchases	600
owing to credit suppliers	46
owed by credit customers	58

90% of revenue is from credit sales.

80% of purchases are on credit terms.

What is the trade payables turnover?

- A** 23 days      **B** 28 days      **C** 35 days      **D** 45 days

**22** The table shows information from a company's financial statements.

	\$000
revenue	135
gross profit	34
profit from operations	11
profit for the year	8
non-current assets	59
current assets	50
non-current liabilities	12
current liabilities	40

What is the return on capital employed?

- A** 8.1%      **B** 11.3%      **C** 14.0%      **D** 15.9%