

**23** A business has the following assets and liabilities.

	\$000	\$000
non current (fixed) assets		420
inventory (stocks)	120	
trade receivables (debtors)	310	
	<u>430</u>	
trade payables (creditors)	<u>(220)</u>	
net current assets		<u>210</u>
total assets less current liabilities		630
long term loan		(130)
net assets		<u>500</u>

What is the business's quick (acid test) ratio?

- A** 1.41 : 1      **B** 1.95 : 1      **C** 2.43 : 1      **D** 3.86 : 1

**24** The table shows the year end information for three companies.

company	sales \$	operating profit as % of all sales	capital employed \$
X	500 000	15	100 000
Y	200 000	8	40 000
Z	400 000	10	80 000

How should the companies rank in order of return on the actual capital employed?

	return on capital employed		
	highest	—————▶	lowest
<b>A</b>	X	Z	Y
<b>B</b>	Y	Z	X
<b>C</b>	Z	X	Y
<b>D</b>	Z	Y	X