

19 The following information is available.

	\$	\$
revenue		600 000
opening inventory	46 000	
purchases	<u>244 000</u>	
	290 000	
closing inventory	<u>50 000</u>	<u>240 000</u>
gross profit		360 000
expenses		<u>150 000</u>
profit from operations		<u>210 000</u>

What was the rate of inventory turnover (in times)?

- A** 4.8 **B** 5 **C** 12 **D** 12.5

20 A company's financial statements for the year ended 31 December showed the following:

	\$
issued share capital	150 000
non-current liabilities	280 000
reserves including retained earnings	250 000

The company's profit from operations was \$160 000 and the profit for the year was \$120 000.

What was the company's return on capital employed?

- A** 23.5% **B** 30.0% **C** 37.2% **D** 40.0%

21 Which cost can be classified as a fixed cost?

- A** bank overdraft interest
B piece rate labour cost
C sales commission
D telephone rental