

**23** The following data is available at the end of a financial year.

opening stock	\$500 000
purchases	\$2 250 000
closing stock	\$750 000
gross profit margin	50 %
debtors collection period	60 days

Sales are all on credit and accrue evenly over a 360-day accounting period.

What is the value of debtors at the year-end?

- A** \$333 333      **B** \$375 000      **C** \$500 000      **D** \$666 667

**24** The profit margins of a company over two years showed:

	31 March year 1	31 March year 2
gross profit margin	37.2 %	39.1 %
net profit margin	12.2 %	11.8 %

What combination of factors could have caused these changes?

- A** a change in the combination of goods sold leading to lower selling costs  
**B** a loss of trade discounts on purchases but an increase in cash discounts taken from suppliers  
**C** an advertising campaign to promote higher sales leading to higher selling prices  
**D** an increase in both production and selling costs

**25** The data in the table relates to a small business.

	\$
sales	6000
variable costs	4500
fixed costs	<u>900</u>
net profit	<u>600</u>

What is the contribution to sales ratio?

- A** 10 %      **B** 25 %      **C** 33.33 %      **D** 75 %