

- 1 Sharon Woo does not maintain full accounting records but is able to provide the following cash receipts and payments information for the year ended 30 April 2012.

Cash receipts	\$	Cash payments	\$
Cash sales	260 000	Payments to credit suppliers	216 000
Receipts from trade debtors	40 000	Equipment	20 000
Disposal of surplus equipment	4 800	Wages	22 000
		Drawings	48 000
		Rent	10 000

The following information is also available:

1	Balances	1 May 2011	30 April 2012
		\$	\$
	Premises	100 000	100 000
	Bank	8 000	3 200 Cr
	Trade receivables	26 800	24 800
	Trade payables	21 200	22 400
	Equipment	24 000	36 400
	Rent prepaid	1 200	1 600
	Inventory	16 800	20 800

- 2 Surplus equipment was sold at a loss of \$400
- 3 The sales figure does **not** include \$18 000 of which Sharon Woo took \$6 000 for her own use and the remainder was used to pay wages.
- 4 Discounts allowed during the year amounted to \$7200.
- 5 Discounts received during the year amounted to \$10 800.

REQUIRED

(a) Calculate Sharon Woo’s capital at 1 May 2011.

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(c) Calculate the return on capital employed for the year ended 30 April 2012 (to **two** decimal places) using the opening capital figure.

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(d) Advise Sharon Woo how she can use the figure for return on capital employed to assess the performance of her business.

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