

**21** The year-end statement of financial position of X Limited at 31 December shows the following:

	\$000
non-current assets	1350
current assets	140
ordinary share capital	900
general reserve	150
long-term loan	200
current liabilities	90
retained earnings	150

The profit from operations for the year was \$65 000 and finance costs were \$20 000.

What was the return on capital employed for the year?

- A** 3.21%      **B** 4.64%      **C** 5.7%      **D** 5.91%

**22** Which statement is correct?

- A** Direct costs change in direct proportion to changes in levels of activity.  
**B** Fixed costs remain as a constant proportion of total costs when output changes.  
**C** Semi-variable costs increase in direct proportion to an increase in production.  
**D** Stepped costs increase in direct proportion to an increase in production.

**23** A manufacturer operates a bonus system. He provides the following information.

output required from each worker	175 units
time allowed to complete output	10.5 hours
actual time worked by Fred	7 hours

A bonus is paid of 25% of the labour costs for time saved, in addition to the hourly rate of \$8.75.

What did Fred earn for his output of 175 units?

- A** \$68.91      **B** \$76.56      **C** \$91.88      **D** \$99.53