

- 2 The following information is available for the Northern Division of Blackford Industrial Ltd:

Statement of financial position at 30 April 2011			
	\$000	\$000	\$000
Non-current assets at net book value			180
Current assets			
Inventory		40	
Trade receivables		35	
Bank		<u>43</u>	
		118	
Current liabilities			
Trade payables	55		
Other payables	<u>23</u>		
		78	
Net current assets			<u>40</u>
Capital employed			<u>220</u>
Equity			
Ordinary share capital – \$1 each			190
Share premium		10	
Retained earnings		<u>20</u>	
			<u>30</u>
Total shareholders' funds			<u>220</u>
Additional information for year ended 30 April 2011			
		\$000	
Total revenue (sales)		480	
Cash purchases		240	
Cash paid to credit suppliers		60	
Operating expenses		120	
At 30 April 2010, the following balances were reported:			
		\$000	
Inventory		28	
Trade payables		15	

## REQUIRED

- (a) Calculate the following amounts for the year ended 30 April 2011:

- (i) cost of sales

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(ii) gross profit and profit for the year (net profit).

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An analysis of the Southern Division of Blackford Industrial Ltd for the year ended 30 April 2011 yielded the following results.

Southern Division

- 1 Mark-up 40%
- 2 Gross profit percentage 28.57%
- 3 Expenses to sales 20%
- 4 Net profit percentage 8.57%
- 5 Return on capital employed 18.00%
- 6 Rate of inventory (stock) turnover 8.95 times
- 7 Liquid ratio (acid test) 1.1:1

**REQUIRED**

Northern Division

(b) Calculate **each** of the same ratios for the Northern Division of Blackford Industrial Ltd, for the year ended 30 April 2011. The calculations should be correct to **two** decimal places.

(i) Mark-up

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(ii) Gross profit percentage

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**(iii)** Expenses to sales

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**(iv)** Net profit percentage

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**(v)** Return on capital employed

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**(vi)** Rate of inventory (stock) turnover

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**(vii)** Liquid ratio (acid test)

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