

**22** Assets and liabilities of a business at its year end include the following information.

	\$
accruals	5 000
bank overdraft	6 800
cash	600
prepayments	4 500
proposed dividend	12 000
stock	51 800
trade creditors	20 100
trade debtors	24 200

What is the current ratio?

- A** 0.67 : 1      **B** 1.85 : 1      **C** 2.19 : 1      **D** 2.54 : 1

**23** Which actions would improve the liquidity (acid test) ratio of a business in the short term?

- 1 debtors paying their debts
- 2 delaying paying creditors
- 3 selling a number of surplus fixed assets
- 4 selling stock

- A** 1 and 2      **B** 2 and 3      **C** 1 and 4      **D** 3 and 4

**24** A business has a debtor turnover period of 40 days based on year end debtors. Annual sales are \$180 000 of which 13 % are cash sales.

What is the year end debtors figure based on a year of 360 days?

- A** \$2600      **B** \$17 400      **C** \$20 000      **D** \$45 200

**25** A company has an issued ordinary share capital of 240 000 ordinary shares of \$0.50 each.

The company pays a total ordinary share dividend of \$9600.

The current market price of an ordinary share is \$3.20.

What is the current dividend yield?

- A** 1.25 %      **B** 2 %      **C** 4 %      **D** 8 %