

**20** Which business is likely to have the lowest Gross Profit/Sales margin?

- A** a car manufacturer
- B** a computer software company
- C** a jewellery shop
- D** a supermarket

**21** The table shows an extract from a company's accounts for the year ended 31 December 2001.

|               | \$      |
|---------------|---------|
| credit sales  | 100 000 |
| cost of sales | 80 000  |
| debtors       | 16 438  |
| creditors     | 12 329  |

What is the debtor collection period?

- A** 30 days      **B** 45 days      **C** 60 days      **D** 75 days

**22** The table gives information taken from the Balance Sheets of a company for three successive years.

|                                | year 1    | year 2   | year 3   |
|--------------------------------|-----------|----------|----------|
| stock at valuation             | \$22 000  | \$29 000 | \$27 000 |
| trade debtors                  | \$102 000 | \$91 000 | \$81 000 |
| trade creditors                | \$63 000  | \$76 000 | \$75 000 |
| taxation and dividends payable | \$17 000  | \$23 000 | \$22 000 |

What do these figures show about the company's liquidity?

- A** It declined in year 2, but no further in year 3.
- B** It declined in year 2, but then improved in year 3.
- C** It has continually declined over the 3 years.
- D** It has continually improved over the 3 years.