

**21** A business provides the following information about its rate of inventory turnover.

year 1     10 times

year 2     8 times

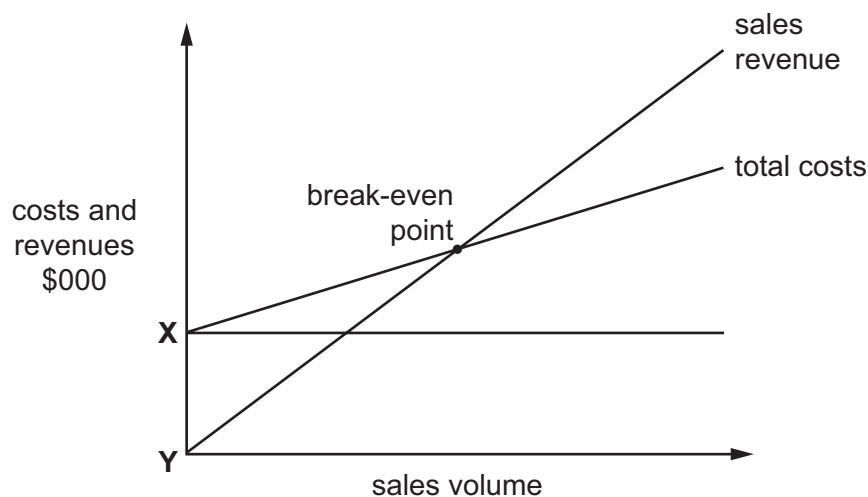
The selling price per unit has remained constant.

Which statements are correct?

- 1    Inventory of goods has decreased in relation to units sold.
- 2    Inventory of goods has increased in relation to units sold.
- 3    Profit margin on a constant level of sales has decreased.
- 4    Profit margin on a constant level of sales has increased.

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

**22** The break-even chart for a product is shown.



What does **XY** represent?

- A**   fixed costs
- B**   gross profit
- C**   profit for the period
- D**   variable costs

**23** Which business would use a job costing system?

- A**   a chemical plant
- B**   a retailer of food
- C**   a ship builder's yard
- D**   a wholesaler of car parts