

	\$
Non-current assets at book value	102 200
Bank overdraft	6 100
Inventory	5 100
Trade receivables	8 500
Trade payables	4 300
Other payables	1 400

REQUIRED

(a) Complete the following table.

Current ratio	
Workings	Answer to two decimal places

Quick ratio	
Workings	Answer to two decimal places

Return on capital employed (ROCE)

Workings

Answer to two
decimal places

The ratios calculated at 30 September 2014 were:

Current ratio	2.51 : 1
Quick ratio	1.57 : 1
Return on capital employed (ROCE)	12.55%

REQUIRED

(c) Comment on the change in the current ratio.

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(d) Suggest a reason for the change in the quick ratio.

(e) Suggest two ways to improve the return on capital employed (ROCE).

1

2