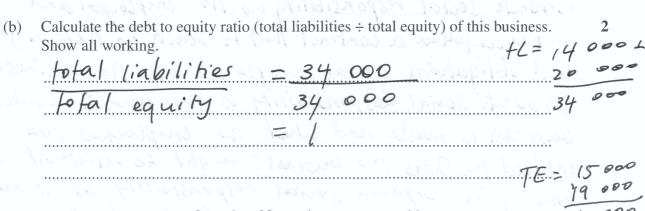
Total Liabilities and Owners Equi	4	68 000
Retained Net Profit	19 000	34 000
Capital	15 000	harinhs.
Owners Equity		
Loan		20 000
Non-Current Liabilities		
donger on a color l'éle	unusi Adams o	1.000
Current Liabilities Creditors		14 000
Total Assets		68 000
Property, Plant and Equipment		33 000
Non-Current Assets		
Inventories	15 000	35 000
Receivables	12 000	
Cash	8 000	
Current Assets	\$	\$
as at year endin	g 30 June 2012	
an at rease and in	~ 20 Inna 2012	

(a)	Calculate the current ratio (current assets ÷ current liabilities) of this business. Show all working.	2
	current assets - 35000	
	current liabilités 14000	
	1 m / fo some and it it diz : 5 m loison sinon on	
	reduce of the beginners to bearings much much its	



Question 22 continues on page 11

- (c) Why is it important for a business to control its <u>debt</u> to <u>equity</u> ratio? Sample 1 Question 22 It is important for a business to controlitedebt to equity ratio because this helps the business' production and selling as it controls the amount of debt to the business is carrying. The debt to equity ratio is a basis to the business if they want to survive, the debt calculated should be less than the equity - which means the business to
- Explain the interdependence of finance and operations in a business. Support your answer with relevant examples. The interdependence of finance in a business helps control me inputs and outputs the products and The money that the business owns and owes The interdependence of operations in a business workston shows the business The inventory and stock as well as me transformed and transforming products. me financial side specifies me spreadsheets; balance Sheet, box cash flow statement. These are vital to business to allow for change and lo stay on top of debt. The operations side allows &

It is good and staying strong and har good profits. However if the debt is higher than the equity than the husiness is highly solvent and the husiness will not survive.

The business to do this as it functions withall other suctions of a basiness' management. Thus the interdependence of both the financial and operations in a business allow the business to 1sto this. For example: Partas' allow all the interdependence merk as one is order to lequie