

Using the balance sheet for Abd Machines above:

1. Calculate the increase in working capital between the two years.

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1. Comment on your result

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1. Which source of finance provided most capital during 2015; loans, share issues of retained profit? Explain your answer.

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1. Do you think that this business should reduce the value of its inventories? Explain your answer.

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1. Do you think the shareholders of Abd Machines Ltd. should be pleased with the balance sheet data? Explain your answer.

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