Mathematics Education and Support Hub (MESH)

Accounting: Averages and Ratios

Sample Questions - Solutions

1. Average = total sum of numbers / how many numbers in list

   = (12,500 + 14, 760 + 13, 870 + 9,780 + 17,980) / 5

   = 68, 890 / 5

   = 13, 778

   Therefore, the average tax payable within the group is $13, 778.00

2. Average = total sum of numbers / how many numbers in list

   = (67, 300 + 54, 870 + 48, 214) / 3

   = 170, 393 / 3

   = 56,797.67

   Therefore, the average net profit in the last 3 years is $56, 797.67

3. 55 males : 11 females

   = 55 : 11 (note: both are divisible by 11)

   = (55 ÷ 11) : (11 ÷ 11)

   = 5 : 1

   Therefore, the ratio in the lecture room is 5 males to 1 female, or 5:1

4. 35 students with credit : 15 students with pass

   = 35 : 15 (note: both are divisible by 5)

   = (35 ÷ 5) : (15 ÷ 5)

   = 7 : 3

   Therefore, the ratio of students receiving a credit to students receiving a pass is 7:3

5. Current ratio = Current assets / Current liabilities

   = $78, 900 / $45, 976

   = 1.72

   Therefore the company's current ratio is 1.72