



Worksheet 2: Analysis or not answers

1	Sentence 2 – The effect of the large inventory is the high cost. Sentence 1 is descriptive.
2	Sentence 2 – The lower quality of raw materials was a cause for lower quality of finished goods. Sentence 1 is descriptive.
3	Sentence 1 – The increased confidence of investors was a cause for increase in share prices. Sentence 1 is descriptive.
4	Sentence 2 – The receipt of loan caused the liquidity/current ratio/quick ratio of business to increase. Sentence 1 is stating the facts.
5	Sentence 2 – The return on capital employed increased in 2021 compared to 2020 was caused by increase in profit for the year compared to capital employed. Sentence 1 is indicating knowledge.
6	Sentence 1 – The increased profit margin is effect of reduced costs. Sentence 2 is indicating knowledge.
7	Sentence 2 – The effect of delaying purchase of machinery leading to positive cash flow for August, whereas Sentence 1 is indicating an observation.
8	Sentence 2 – A possible effect of issuing shares, whereas Sentence 1 is indicating knowledge.