Model Question Paper

Financial Statement Analysis - ratio analysis - Part II

12th Standard

Accountancy

Reg.No. :

I.Answer all the questions.

II.Use Blue pen only.

Time : 01:30:00 Hrs

Total Marks : 80

Section-A

5 x 1 = 5

1) Liquid ratio is used to assess the firm's _______ liquidity.

2) Liquid assets means current assets less _______ and _______.

3) _______ ratio is modified form of liquid ratio

4) Liquid liabilities means current liabilities less _______.

5) Proprietory ratio shows the relationship between _______ and total tangible assets.

Section-B

7 x 4 = 28

6) What is account payable?

7) Explain solvency ratios.

8) What are current assets?

9) Write notes on net profit ratio.

10) From the following, calculate the current ratio.

Cash in hand	Rs.	2,00,000
Sundry debtors	Rs.	80,000
Stock	Rs	1,20,000
Sundry creditors	Rs.	1,50,000
Bills payable	Rs.	50,000

Section-C

1 x 12 = 12

11) a) Calculate Debt - Equity ratio

Equity share capital	Rs.	2,00,000
General Reserve	Rs.	1,50,000
Long term loan	Rs.	50,000
Debentures	Rs.	1,00,000

b) From the following, Calculate Gross Profit Ratio

Gross profit	Rs.	50,000
Sales	Rs.	5,50,000
Sales returns	Rs.	50,000

Section-D

2 x 20 = 40

12) Calculate Current Ratio, Liquid ratio, Absolute liquid ratio, Debtors turnover and Creditors turnover ratio from the following Balance Sheet

Liabilities	Rs.	Assets	Rs.
Equity Share Capital	55,000	Land & Buildings	20,000
Preference share capital	15,000	Plant & Machinery	22,000
General Reserve	25,000	Furniture & Fixtures	3,000
Debentures	35,000	Stock	47,000
Bills payable	3,000	Bills receivable	10,000
Bank overdraft	3,000	Debtors	23,000
Creditors	8,000	Short term investments	5,000
Outstanding expenses	6,000	Prepaid expenses	1,000
		Cash	19,000
	1,50,000		1,50,000

Addition information:

Credit Sales Rs. 1,65,000 Credit purchases Rs. 44,000

13) The following is the summarised Trading and Profit and Loss A/c, for the year ending 31.3.2005 and the Balance Sheet as at that date: Trading and Profit and Loss Account for the year ending 31.3.2005

Particulars	Rs.	Particulars	Rs.
To Opening stock	10,000	By Sales	1,00,000
To Purchases	50,000	By Closing stock	15,000
To Direct expenses	5,000		
To Gross profit c/d	50,000		
	1,15,000		1,15,000
To Administrative expenses	15,000	By Gross profit b/d	50,000
To Interest	3,000		
To Selling expenses	12,000		
To Net Profit	20,000		
	50,000		50,000

Balance Sheet as on 31.3.2005

Liabilities	Rs.	Assets	Rs.
Capital	1,00,000	Land and Building	50,000
Current Liabilities	40,000	Plant and Machinery	30,000
Profit and Loss A/C	20,000	Furniture	20,000
		Stock	15,000
		Sundry debtors	15,000
		Bills receivable	12,500
		Cash in hand & at bank	17,500
	1,60,000		1,60,000

From the above, calculate : (i) Gross Profit Ratio, (ii) Current Ratio, (iii) Acid Test Ratio, (iv) Stock Turnover Ratio, (v) Fixed Assets Turnover Ratio.

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