SEEMAX International School
vision upto max^m limit (umbrella organisation-Om Sarla Babu Educational Trust)

Assignment Questions (Session 2024-25)
Class XII Commerce
Subject: Accountancy (055)
Ch.4 Accounting Ratio

Multiple Choice Questions:

1. Current assets include only those assets which are expected to be realised within …
(A) 3 months (B) 6 months (C) 1 year (D) 2 years

2. Quick Assets do not include
(A) Cash in hand (B) Prepaid Expenses (C) Marketable Securities (D) Trade Receivables

3. Patents and Copyrights fall under the category of:
(A) Current Assets (B) Liquid Assets (C) Intangible Assets (D) None of Above

4. Cash Balance ₹15,000; Trade Receivables ₹35,000; Inventory ₹40,000; Trade Payables ₹24,000 and Bank Overdraft is ₹6,000. Current Ratio will be :
(A) 3.75 : 1 (B) 3 : 1 (C) 1 : 3 (D) 1 : 3.75

5. Which of the following transactions will improve the Current Ratio :
(A) Cash Collected from Trade Receivables (B) Purchase of goods for cash
(C) Payment to Trade Payables (D) Credit purchase of Goods

6. A Company ' s Current Ratio is 2.5 : 1 and Liquid Ratio is 1.6 : 1. If its Current Assets are ₹7,50,000, what will be the value of Inventory?
(A) ₹4,50,000 (B) ₹4,80,000 (C) ₹2,70,000 (D) ₹1,80,000

7. Fixed Assets ₹5,00,000; Current Assets ₹3,00,000; Equity Share Capital ₹4,00,000; Reserve ₹2,00,000; Long-term Debts ₹40,000. Proprietary Ratio will be :
(A) 75% (B) 80% (C) 125% (D) 133%

8. Debt equity ratio of a company is 1 : 2. Which of the following transactions will increase it:
(A) Issue of new shares for cash (B) Redemption of Debentures
(C) Issue of Debentures for cash (D) Goods purchased on credit

9. Opening Inventory ₹1,00,000; Closing Inventory ₹1,50,000; Purchases ₹6,00,000; Carriage ₹25,000; Wages ₹2,00,000. Inventory Turnover Ratio will be :
(A) 6.6 Times (B) 7.4 Times (C) 7 Times (D) 6.2 Times

10. Average Inventory ₹60,000; Inventory Turnover Ratio 8; Gross Profit 20% on revenue from operations; what will be Gross Profit?
(A) ₹1,20,000 (B) ₹96,000 (C) ₹80,000 (D) ₹15,000

11. Credit revenue from operations ₹24,00,000; Trade Receivables Turnover Ratio 6 times; Opening Debtors ₹3,20,000. Closing Debtors will be :
(A) ₹4,00,000 (B) ₹4,80,000 (C) ₹80,000 (D) ₹7,20,000

12. Credit Purchases ₹9,60,000; Cash Purchases ₹6,40,000; Creditors ₹2,40,000; Bills Payable ₹80,000. Average Payment Period will be :
(A) 3 months (B) 4 months (C) 2.4 months (D) 6 months

13. Cash Revenue from Operations ₹4,00,000 Credit Revenue, from Operations ₹21,00,000; Revenue from Operations Return ₹1,00,000; Cost of revenue from operations ₹19,20,000. G.P. ratio will be
(A) 4% (B) 23.2% (C) 80% (D) 20%

14. Total Revenue from Operations ₹15,00,000; Cost of Revenue from Operations ₹9,00,000 and Operating Expenses ₹2,25,000. Calculate operating ratio :
(A) 75% (B) 25% (C) 60% (D) 15%

15. Which of the following is not operating expenses?
(A) Office Expenses (B) Selling Expenses (C) Bad Debts (D) Loss by Fire

Other Questions:

16. From the following information, calculate any two of the following ratios
(i)Debt-equity ratio (ii)Working capital turnover ratio (iii) Return on investment
Information Equity share capital Rs 10,00,000, general reserve Rs 1,00,000, balance of statement of profit and loss after interest and tax Rs 3,00,000, 12% debentures Rs 4,00,000, creditors Rs 3,00,000, land and buildings Rs 13,00,000, furniture Rs 3,00,000, debtors 12,90,000, cash Rs 1,10,000.Revenue from operations i.e. sales for the year ended 31st March, 2011 was Rs 30,00,000. Tax rate is 50%.

17. The quick ratio of a company is 2 : 1. State giving reasons, (for any four) which of the following would improve, reduce or not change the ratio
(i)Purchase of machinery for cash (ii)Purchase of goods on credit (iii) Sale of furniture at cost
(iv)Sale of goods at a profit (v)Cash received from debtors

18. Assuming that the debt equity ratio is 2. State giving reasons whether this ratio would increase, decrease or remain unchanged in the following cases. (Any four)
(i)Purchase of fixed assets on a credit of two months (ii)Sale of fixed assets at a loss of 13,000.
(iii)Purchase of fixed assets on long-term deferred payment basis
(iv)Issue of new shares for cash (v)Issue of bonus shares

19. From the following information, calculate any two of the following ratios
(i) Liquid ratio (ii) Gross profit ratio (iii)Debt equity ratio
<u>Information</u>: Revenue from operations (Net sales) Rs 4,00,000, opening inventory Rs 10,000, closing inventory Rs 3,000 less than the opening inventory, net purchase 80% of revenue from operations, direct expenses Rs 20,000, current assets Rs 1,00,000, prepaid expenses Rs 3,000, current liabilities Rs 60,000, 9% debentures Rs 4,00,000, long-term loan from bank Rs 1,50,000, equity share capital Rs 8,00,000 and 8% preference share capital Rs 3,00,000.

20. (i) Net profit after interest but before tax Rs 1,40,000, 15% long-term debts Rs 4,00,000,shareholders' funds Rs 2,40,000 and tax rate 50%. Calculate return on capital employed.
(ii) Opening inventory Rs 60,000, closing inventory Rs 1,00,000, inventory turnover ratio 8 times and selling price 25% above cost. Calculate the gross profit ratio.

21. (i) Compute 'debtors turnover ratio' from the following information Revenue from operations (Total sales) Rs 5,20,000, cash revenue from operations 60% of the credit revenue from operations closing debtors Rs 80,000, opening debtors are 3/4th of closing debtors.
(ii) Current liabilities of a company are Rs 1,60,000. Its liquid ratio is 1.5 : 1 and current ratio is 2.5 : 1. Calculate quick assets and current assets.

22. From the following information, calculate any two of the following ratios
(i)Current ratio (ii)Debt equity ratio (iii)Inventory turnover ratio
<u>Information</u>: Revenue from operations (Net sales) Rs 5,00,000, opening inventory Rs 7,000, closing inventory Rs 4,000 more than the opening inventory, net purchase Rs 1,00,000 less than revenue from operations, operating expenses Rs 30,000, liquid assets Rs 75,000, prepaid expenses Rs 2,000, current liabilities Rs 60,000, 9% debentures Rs 3,00,000, long-term loan from bank Rs 1,00,000 equity share capital Rs 10,00,000 and 8% preference share capital Rs 2,00,000.

23. (i)Compute 'working capital turnover ratio' from the following information Cash revenue from operations Rs 1,30,000, credit revenue from operations Rs 3,80,000, sales returns Rs 10,000, liquid assets Rs 1,40,000, current liabilities Rs 1,05,000 and inventory Rs 90,000.
(ii) Calculate 'debt equity ratio' from the following information Total assets Rs 3,50,000, total debt Rs 2,50,000 and current liabilities Rs 80,000.

24. The current ratio of X Ltd is 2 : 1. State with reason which of the following transaction would increase, decrease or not change the ratio
(a)Included in the trade payables was a bills payable of Rs 9,000 which was met on maturity.
(b)Company issued 1,00,000 equity shares of Rs 10 each to the vendors of machinery purchased.

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