



Shikshadwar

Gateway to knowledge

INDIA'S BELOVED CA EDUCATORS
TEAM SHIKSHADWAR

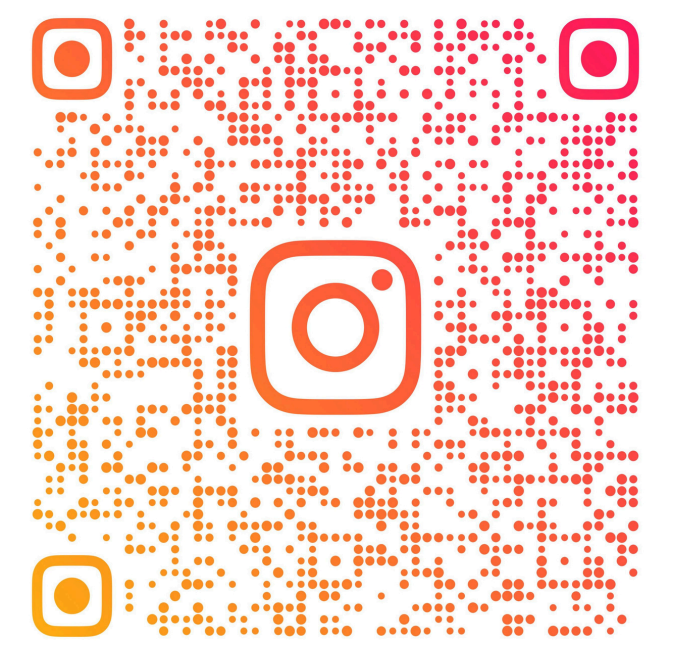


CA ADARSH JOSHI

CA , B.COM

FOUNDER

- 8+ years of teaching experience in CA education
- Subject Expert in:
CA Foundation – Paper 2: Business Laws
CA Intermediate – Paper 2: Corporate and Other Laws
- Has uploaded over 3000+ educational videos for CA Foundation and CA Inter students
- Known for his dynamic, conceptual and “fun-and-learn” teaching style
- Guided thousands of students across India to success in CA exams
- Strong academic background with B.Com (BMCC, Pune) and ACA qualification
- Widely appreciated for his clarity, energy, and practical approach to law subjects
- Through Shikshadwar, offers comprehensive classes, books, tests, and mentorship to CA students



CAADARSHJOSHI



CA DARSHAN JAIN

CA , CS , LLB , DISA , DIRM , B.COM

CO FOUNDER

- Chartered Accountant by profession & educator by passion
- Teaching Financial Accounting , Financial Management & Strategic Management to CA Students For 12 Years.
- Practicing Chartered Accountant For Past 13 years in The Field of Audit , Direct & Indirect Taxes & Management Consultancy
- Elected as Convenor of The Jalna CA CPE Chapter of WIRC of ICAI For 2 consecutive years 20-21 & 21-22.
- He Has Successfully Completed & Qualified Following Certificate Course Conducted By ICAI
 1. Forensic Accounting & Fraud Detection
 2. Concurrent Audit of Banks
 3. Goods & Service Tax (GST)
 4. Public Finance & Accounting
 5. Drafting & Pleading Before Authorities
 6. Wealth management & Financial Planning
 7. Artificial Intelligence



@CA_DARSHAN_JAIN



CA TUSHAR TAPARIA

CA , LLB

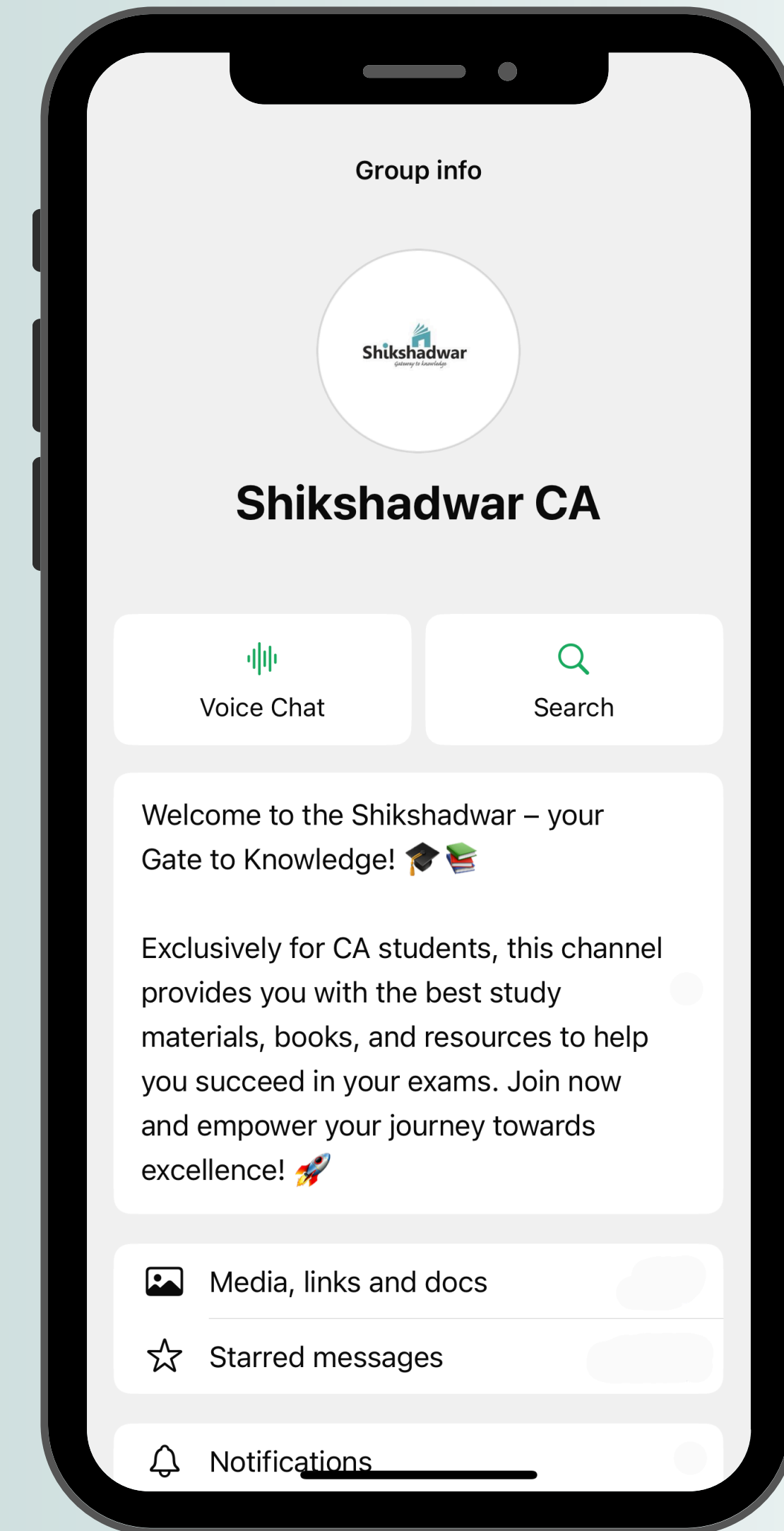
- A multi-faceted professional with a Chartered Accountancy qualification and a Bachelor's degree in Law.
- Brings 7+ years of teaching experience across CA and CS professional courses.
- Specializes in:
 - Taxation at CA Intermediate and CS Executive levels
 - Economics at CA Foundation level
- Known for simplifying complex concepts with crystal-clear explanations and practical insights.
- Expert in delivering Fasttrack batches with proven accelerated learning techniques.
- Frequently invited as a visiting faculty for Taxation at reputed coaching institutes.
- Loved by students for his interactive teaching style, real-life examples, and exam-oriented approach.



@CA_TUSHAR_TAPARIA



Join Now >>



<< **Join Now**





Your one-stop destination for CA

We prioritize delivering comprehensive, easy-to-understand, and exam-focused content to empower you in your professional journey. Our carefully curated resources are designed to build a solid foundation and guide you toward achieving your career goals.

CA Foundation

CA Intermediate



Class Features



Live Streaming

Experience the power of live learning anytime, anywhere. With our Android app, the classroom travels with you –

01



Book Series

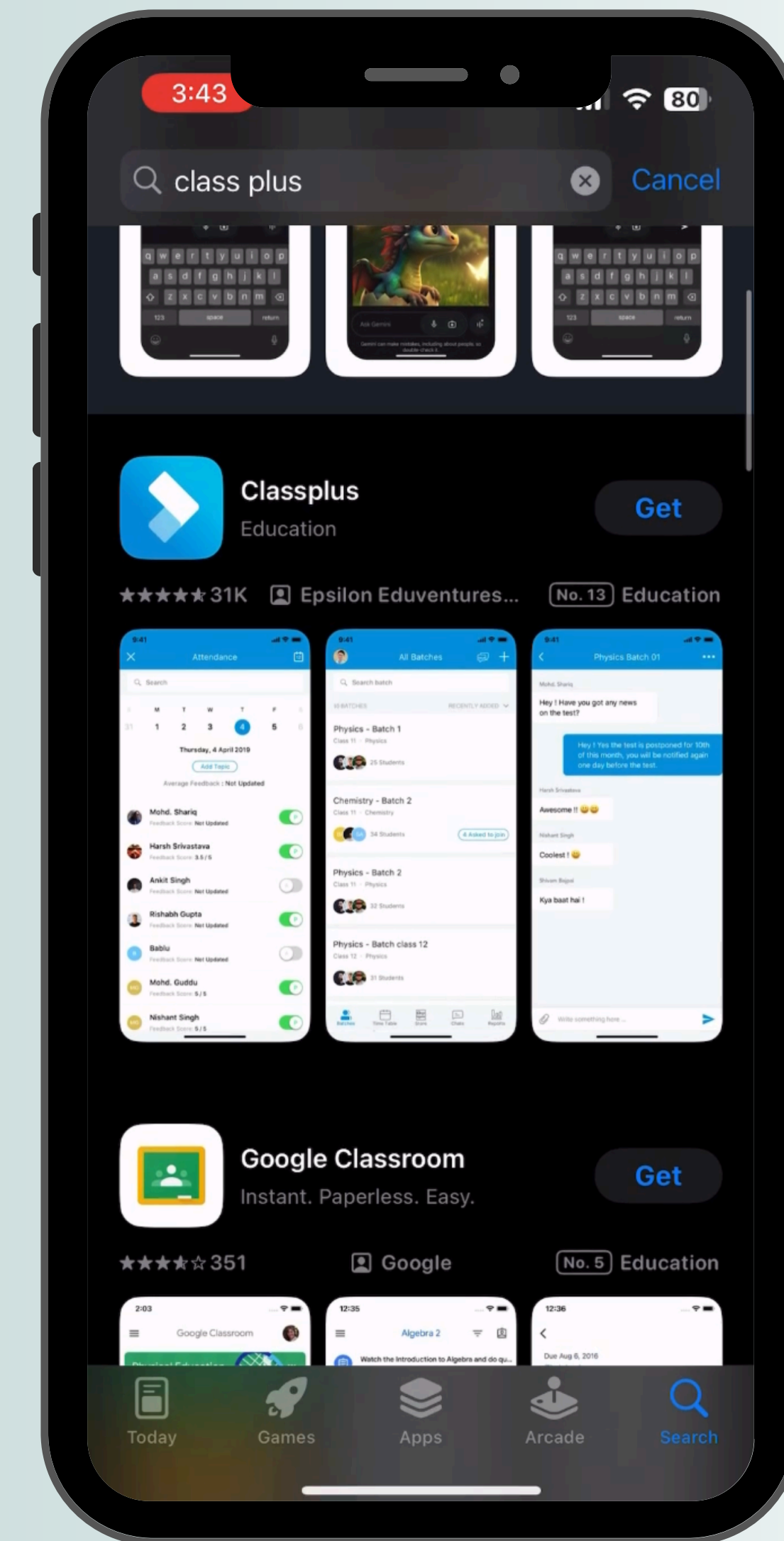
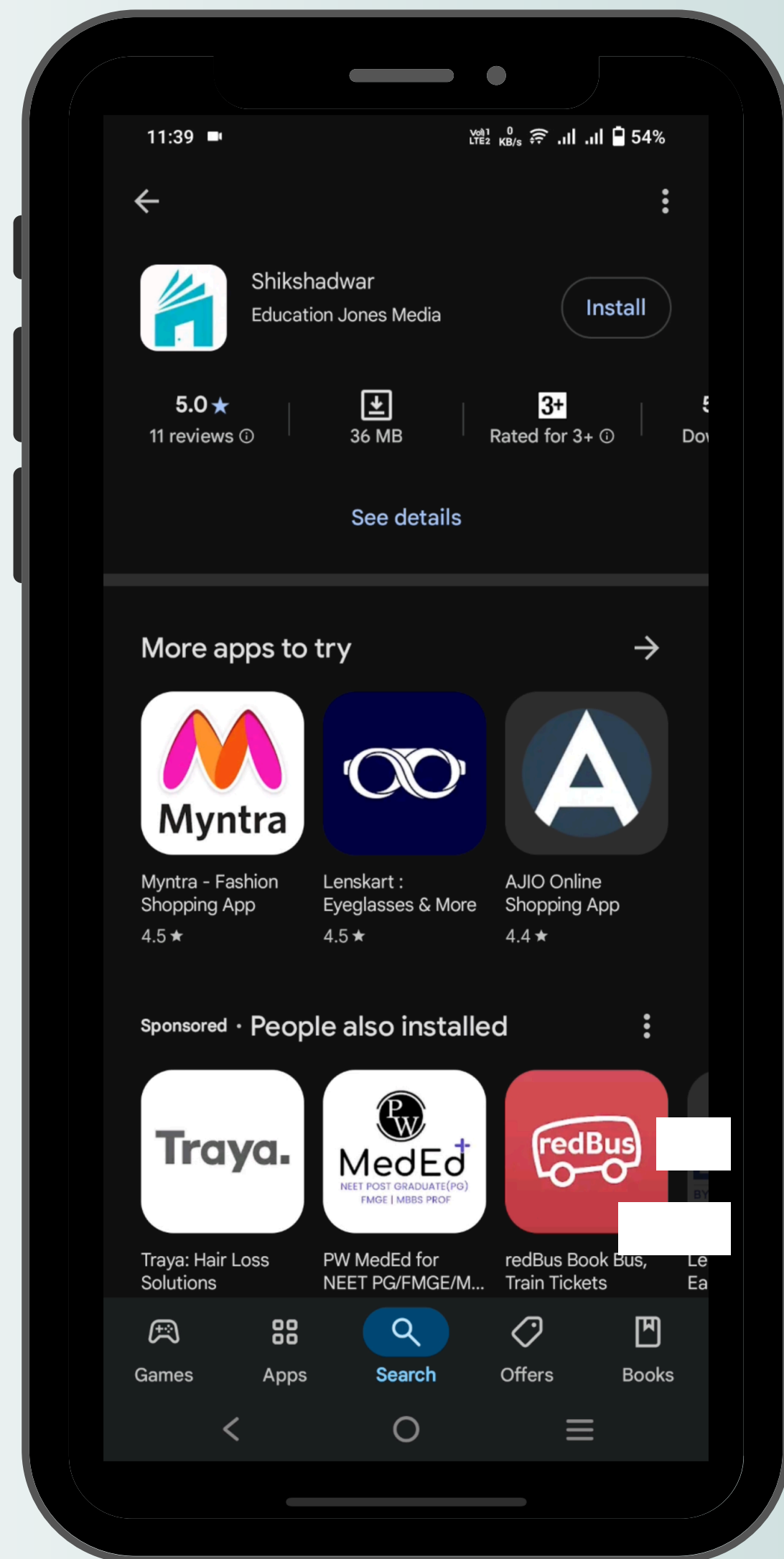
Your ultimate destination for all CA study essentials. Discover a curated collection of books, perfectly aligned

02

Website



www.shikshadwar.com



(Use Org Code:
EMSOY)

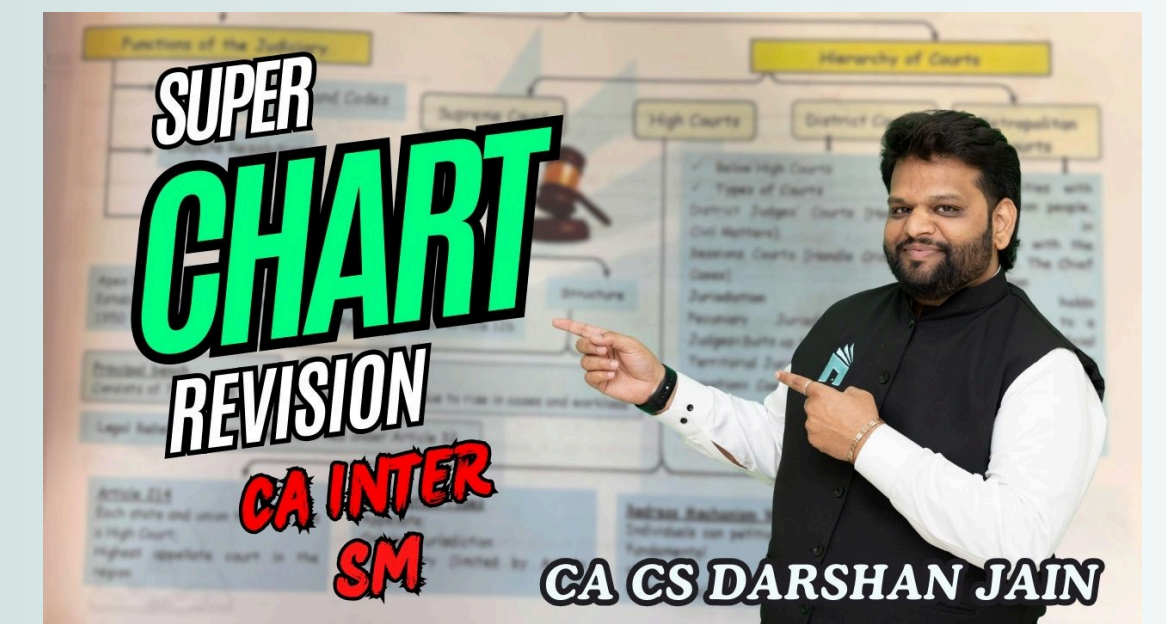
CA INTERMEDIATE MAY 25

Marathons Live Streams



RRR - Result Oriented Rapid Revision

Most Imp Questions



One Shot MCQ's Marathon

Super Chart Revision









Amendments Ki Pathshala

20-20 Series

CA INTERMEDIATE MAY 25

Marathons Schedule With Links

DATE	TIME	EDUCATOR	SUBJECT	TOPICS	YOUTUBE LINK
17/4/2025	8.00 AM	CA ADARSH JOSHI	LAW	RRR	
18/4/2025	12.00 NOON	CA TUSHAR TAPARIA	GST	RRR	
19/4/2025	8.00 AM	CA CS DARSHAN JAIN	FM	RRR	
20/4/2025	8.00 AM	CA ADARSH JOSHI	LAW	ONE SHOT MCQ MARATHON	
21/4/2025	2.00 PM	CA TUSHAR TAPARIA	GST	GST AMENDMENTS & ITS IMPORTANT QUESTIONS	
23/4/2025	8.00 AM	CA CS DARSHAN JAIN	FM	ONE SHOT MCQ MARATHON	

DATE	TIME	EDUCATOR	SUBJECT	TOPICS	YOUTUBE LINK
24/4/2025	2.00 PM	CA TUSHAR TAPARIA	DT	DT AMENDMENTS & ITS IMPORTANT QUESTIONS	
27/4/2025	8.00 AM	CA CS DARSHAN JAIN	SM	ONE SHOT MCQ MARATHON	
4/5/2025	8.00 AM	CA ADARSH JOSHI	LAW	MOST IMPORTANT QUESTIONS	
6/5/2025	3.00 PM	CA TUSHAR TAPARIA	TAXATION	20-20	
12/5/2025	8.00 AM	CA CS DARSHAN JAIN	FM	20-20	
13/5/2025	8.00 AM	CA CS DARSHAN JAIN	SM	SUPER CHART REVISION	

**TEST PAPER
ON
RATIO ANALYSIS**

Date of Test

17th

2024

QUESTION 1 (10 MARKS)

The following accounting information and financial ratios of A&R Limited relate to the year ended 31st March, 2020:

Inventory Turnover Ratio	6 Times
Creditors Turnover Ratio	10 Times
Debtors Turnover Ratio	8 Times
Current Ratio	2.4
Gross Profit Ratio	25%

Total sales Rs.6,00,00,000; cash sales 25% of credit sales; cash purchases Rs.46,00,000; working capital Rs.56,00,000; closing inventory is Rs.16,00,000 more than opening inventory.

You are required to CALCULATE:

- (i) Average Inventory 7500000
- (ii) Purchases 46600000
- (iii) Average Debtors 6000000
- (iv) Average Creditors 4200000
- (v) Average Payment Period 36.5 Days say 37
- (vi) Average Collection Period 45.63 say 46
- (vii) Current Assets 9600000
- (viii) Current Liabilities. 4000000

Take 365 days a year

(i) Computation of Average Inventory

Gross Profit = 25% of Rs.6,00,00,000 = Rs.1,50,00,000

$$\begin{aligned}\text{Cost of goods sold (COGS)} &= \text{Sales} - \text{Gross Profit} \\ &= \text{Rs.6,00,00,000} - \text{Rs.1,50,00,000} \\ &= \text{Rs.4,50,00,000}\end{aligned}$$

$$\text{Inventory Turnover Ratio} = \frac{\text{COGS}}{\text{Average Inventory}}$$

$$6 = \frac{\text{Rs.4,50,00,000}}{\text{Average inventory}}$$

Average inventory = Rs.75,00,000

(ii) **Computation of Purchases**

$$\text{Purchases} = \text{COGS} + (\text{Closing Stock} - \text{Opening Stock})$$

$$= \text{Rs. } 4,50,00,000 + 16,00,000^*$$

$$\text{Purchases} = \text{Rs. } 4,66,00,000$$

$$* \text{ Increase in Stock} = \text{Closing Stock} - \text{Opening Stock} = \text{Rs. } 16,00,000$$

(iii) Computation of Average Debtors

Let Credit Sales be Rs.100, Cash sales = $\frac{25}{100} \times 100 = \text{Rs.}25$

Total Sales = $100 + 25 = \text{Rs.}125$

Total sales is Rs.125 credit sales is Rs.100

If total sales is Rs.6,00,00,000, then credit sales is = $\frac{\text{Rs. } 6,00,00,000 \times 100}{125}$

Credit Sales = Rs.4,80,00,000

Cash Sales = $(\text{Rs.}6,00,00,000 - \text{Rs.}4,80,00,000) = \text{Rs.}1,20,00,000$

$$\text{Debtors Turnover Ratio} = \frac{\text{Net Credit Sales}}{\text{Average debtors}} = 8$$

$$= \frac{\text{Rs.4,80,00,000}}{\text{Average debtors}} = 8$$

$$\text{Average Debtors} = \frac{\text{Rs.4,80,00,000}}{8}$$

$$\text{Average Debtors} = \text{Rs.60,00,000}$$

(iv) Computation of Average Creditors

$$\begin{aligned}\text{Credit Purchases} &= \text{Purchases} - \text{Cash Purchases} \\ &= \text{Rs.}4,66,00,000 - \text{Rs.}46,00,000 = \text{Rs.}4,20,00,000\end{aligned}$$

$$\text{Creditors Turnover Ratio} = \frac{\text{Credit Purchases}}{\text{Average Creditors}}$$

$$10 = \frac{\text{Rs.}4,20,00,000}{\text{Average Creditors}}$$

$$\text{Average Creditors} = \text{Rs.}42,00,000$$

(v) **Computation of Average Payment Period**

$$\begin{aligned}\text{Average Payment Period} &= \frac{\text{Average Creditors}}{\text{Average Daily Credit Purchases}} \\ &= \frac{\text{Rs. } 42,00,000}{\left(\frac{\text{Credit Purchases}}{365}\right)} = \frac{\text{Rs. } 42,00,000}{\left(\frac{\text{Rs. } 4,20,00,000}{365}\right)} \\ &= \frac{\text{Rs. } 42,00,000}{\text{Rs. } 4,20,00,000} \times 365 = 36.5 \text{ days}\end{aligned}$$

Alternatively

$$\begin{aligned}\text{Average Payment Period} &= 365 / \text{Creditors Turnover Ratio} \\ &= \frac{365}{10} = 36.5 \text{ days}\end{aligned}$$

(vi) Computation of Average Collection Period

$$\text{Average Collection Period} = \frac{\text{Average Debtors}}{\text{Net Credit Sales}} \times 365$$

$$= \frac{\text{Rs.60,00,000}}{\text{Rs.4,80,00,000}} \times 365 = 45.625 \text{ days}$$

Alternatively

$$\begin{aligned} \text{Average collection period} &= \frac{365}{\text{Debtors Turnover Ratio}} \\ &= \frac{365}{8} = 45.625 \text{ days} \end{aligned}$$

(vii) Computation of Current Assets

$$\text{Current Ratio} = \frac{\text{Current Assets (CA)}}{\text{Current Liabilities (CL)}} = 2.4$$

$$2.4 \text{ Current Liabilities} = \text{Current Assets}$$

$$\text{or CL} = \frac{\text{CA}}{2.4}$$

Further, Working capital = Current Assets – Current liabilities

$$\text{So, Rs.56,00,000} = \text{CA} - \frac{\text{CA}}{2.4}$$

$$\text{Rs.56,00,000} = \frac{1.4\text{CA}}{2.4} \quad \text{Or, } 1.4 \text{ CA} = \text{Rs.1,34,40,000}$$

$$\text{CA} = \text{Rs.96,00,000}$$

(viii) Computation of Current Liabilities

$$\text{Current liabilities} = \frac{\text{Rs.96,00,000}}{2.4} = \text{Rs.40,00,000}$$

QUESTION 2 (5 MARKS)

MNP Limited has made plans for the year 2019 -20. It is estimated that the company will employ total assets of Rs.50,00,000; 30% of assets being financed by debt at an interest cost of 9% p.a. The direct costs for the year are estimated at Rs. 30,00,000 and all other operating expenses are estimated at Rs. 4,80,000. The sales revenue are estimated at Rs. 45,00,000. Tax rate is assumed to be 40%. CALCULATE:

- (i) Net profit margin (After tax); 11.8%
- (ii) Return on Assets (After tax); 12.24%
- (iii) Asset turnover; and 0.9 times
- (iv) Return on Equity. 15.17%

The net profit is calculated as follows:

	Rs.
Sales Revenue	45,00,000
Less: Direct Costs	30,00,000
Gross Profits	15,00,000
Less: Operating Expense	4,80,000
Earnings before Interest and tax (EBIT)	10,20,000
Less: Interest on debt (9% × 15,00,000)	1,35,000
Earnings before Tax) (EBT)	8,85,000
Less: Taxes (@ 40%)	3,54,000
Profit after Tax (PAT)	5,31,000

(i) **Net Profit Margin (After Tax)**

$$\text{Net Profit Margin} = \frac{\text{EBIT} (1-t)}{\text{Sales}} \times 100 = \frac{\text{Rs. } 10,20,000 (1-0.4)}{\text{Rs. } 45,00,000} = 13.6\%$$

$$\frac{\text{₹ } 31,000}{45,00,000} \times 100 = 11.80\%$$

(ii) **Return on Assets (ROA) (After tax)**

$$\begin{aligned} \text{ROA} &= \frac{\text{EBIT} (1-t)}{\text{Total Assets}} \\ &= \frac{\text{Rs. } 10,20,000 (1-0.4)}{\text{Rs. } 50,00,000} = \frac{\text{Rs. } 6,12,000}{\text{Rs. } 50,00,000} \\ &= 0.1224 = 12.24\% \end{aligned}$$

(iii) **Asset Turnover**

$$\text{Asset Turnover} = \frac{\text{Sales}}{\text{Assets}} = \frac{\text{Rs. } 45,00,000}{\text{Rs. } 50,00,000} = 0.9$$

$$\text{Asset Turnover} = 0.9 \text{ times}$$

(iv) **Return on Equity (ROE)**

$$\text{ROE} = \frac{\text{PAT}}{\text{Equity}} = \frac{\text{Rs. } 5,31,000}{\text{Rs. } 35,00,000} = 15.17\%$$

QUESTION 3 (5 MARKS)

2100 w

Using the following information, PREPARE and complete the Balance Sheet given below:

- (i) Total debt to net worth : 1 : 2
- (ii) Total assets turnover : 2
- (iii) Gross profit on sales : 30%
- (iv) Average collection period : 40 days
- (Assume 360 days in a year)
- (v) Inventory turnover ratio based on cost of goods sold and year-end inventory : 3
- (vi) Acid test ratio : 0.75

COYS 2100 w

Balance Sheet

as on March 31, 20X8

Liabilities	Rs.	Assets	Rs.
Equity Shares Capital	4,00,000	Plant and Machinery	—
Reserves and Surplus	6,00,000	and other Fixed Assets	
Total Debt:		(BF)	
Current Liabilities	5,00,000	Current Assets:	
		Inventory	700,000
		Debtors	3,33,333
		Cash	4,16,667
	1,50,000	(BF)	1,50,000

SOLUTION

Balance Sheet as on March 31, 20X8

Liabilities	Rs.	Assets	Rs.
Equity Share Capital	4,00,000	Plant and Machinery and other	
Reserves & Surplus	6,00,000	Fixed Assets	4,25,000
Total Debt:		Current Assets:	
Current liabilities	5,00,000	Inventory	7,00,000
		Debtors	3,33,333
		Cash	41,667
	15,00,000		15,00,000

$$\begin{aligned}\text{Net worth} &= \text{Capital} + \text{Reserves and surplus} \\ &= 4,00,000 + 6,00,000 = \text{Rs.}10,00,000\end{aligned}$$

$$\frac{\text{Total Debt}}{\text{Networth}} = \frac{1}{2}$$

$$\therefore \text{Total debt} = \text{Rs. } 5,00,000$$

$$\begin{aligned}\text{Total Liability side} &= \text{Rs. } 4,00,000 + \text{Rs. } 6,00,000 + \text{Rs. } 5,00,000 \\ &= \text{Rs. } 15,00,000 \\ &= \text{Total Assets}\end{aligned}$$

$$\text{Total Assets Turnover} = \frac{\text{Sales}}{\text{Total assets}}$$

$$2 = \frac{\text{Sales}}{\text{Rs.}15,00,000}$$

$$\therefore \text{Sales} = \text{Rs. } 30,00,000$$

Gross Profit on Sales : 30% i.e. Rs. 9,00,000

$$\begin{aligned}\therefore \text{Cost of Goods Sold (COGS)} &= \text{Rs. } 30,00,000 - \text{Rs. } 9,00,000 \\ &= \text{Rs. } 21,00,000\end{aligned}$$

$$\begin{aligned}\text{Inventory turnover} &= \frac{\text{COGS}}{\text{Inventory}} \\ 3 &= \frac{\text{Rs. } 21,00,000}{\text{Inventory}}\end{aligned}$$

$$\therefore \text{Inventory} = \text{Rs. } 7,00,000$$

$$\text{Average collection period} = \frac{\text{Averaged debtors}}{\text{Sales / day}}$$

$$40 = \frac{\text{Debtors}}{\text{Rs.30,00,000} / 360}$$

$$\therefore \text{Debtors} = \text{Rs.3,33,333.}$$

$$\text{Acid test ratio} = \frac{\text{Current Assets} - \text{Stock (Quick Asset)}}{\text{Current liabilities}}$$

$$0.75 = \frac{\text{Current Assets} - \text{Rs.7,00,000}}{\text{Rs.5,00,000}}$$

$$\therefore \text{Current Assets} = \text{Rs.10,75,000.}$$

$$\therefore \text{Fixed Assets} = \text{Total Assets} - \text{Current Assets}$$

$$= \text{Rs.15,00,000} - \text{Rs.10,75,000} = \text{Rs.4,25,000}$$

$$\text{Cash and Bank balance} = \text{Current Assets} - \text{Inventory} - \text{Debtors}$$

$$= \text{Rs.10,75,000} - \text{Rs.7,00,000} - \text{Rs.3,33,333} = \text{Rs.41,667}$$

QUESTION 4 (5 MARKS)

Following figures and ratios are related to a company Q Ltd. :

(i) Sales for the year (all credit)	₹ 30,00,000
(ii) Gross Profit ratio	25 per cent
(iii) Fixed assets turnover (based on cost of goods sold)	1.5
(iv) Stock turnover (based on cost of goods sold)	6
(v) Liquid ratio	1 : 1
(vi) Current ratio	1.5 : 1
(vii) Receivables (Debtors) collection period	2 months
(viii) Reserves and surplus to share capital	0.6 : 1

- (ix) Capital gearing ratio 0.5
- (x) Fixed assets to net worth 1.20 : 1

You are required to calculate :

Closing stock, Fixed Assets, Current Assets, Debtors and Net worth.

↓ ↓ ↓ ↓ ↓

375 000 1 500 000 1 125 000 500 000 1 250 000

SOLUTION

(i) Calculation of Closing Stock:

$$\begin{aligned}\text{Cost of Goods Sold} &= \text{Sales} - \text{Gross Profit (25\% of Sales)} \\ &= ₹ 30,00,000 - ₹ 7,50,000 \\ &= ₹ 22,50,000\end{aligned}$$

$$\begin{aligned}\text{Closing Stock} &= \text{Cost of Goods Sold} / \text{Stock Turnover} \\ &= ₹ 22,50,000 / 6 = ₹ 3,75,000\end{aligned}$$

(ii) Calculation of Fixed Assets:

$$\begin{aligned}\text{Fixed Assets} &= \text{Cost of Goods Sold} / \text{Fixed Assets Turnover} \\ &= ₹ 22,50,000 / 1.5 \\ &= ₹ 15,00,000\end{aligned}$$

(iii) Calculation of Current Assets:

$$\text{Current Ratio} = 1.5 \text{ and Liquid Ratio} = 1$$

$$\text{Stock} = 1.5 - 1 = 0.5$$

$$\begin{aligned} \text{Current Assets} &= \text{Amount of Stock} \times 1.5 / 0.5 \\ &= ₹ 3,75,000 \times 1.5 / 0.5 = ₹ 11,25,000 \end{aligned}$$

$$\text{Liquid ratio} = \frac{\text{CA} - 375000}{\text{CL}}$$

$$1 = \frac{1.5x - 375000}{x}$$

(iv) Calculation of Debtors:

$$\text{Debtors} = \text{Sales} \times \text{Debtors Collection period} / 12$$

$$= ₹ 30,00,000 \times 2 / 12$$

$$= ₹ 5,00,000$$

$$x = 1.5x - 375000$$

$$0.5x = 375000$$

$$\text{CL} = 750000$$

$$\text{CA} = \underline{\underline{1125000}}$$

(v) Calculation of Net Worth:

$$\text{Net worth} = \text{Fixed Assets} / 1.2$$

$$= ₹ 15,00,000 / 1.2 = ₹ 12,50,000$$

QUESTION 5 (5 MARKS)

The following is the information of XML Ltd. relate to the year ended 31-03-2018 :

Gross Profit	20% of Sales
Net Profit	10% of Sales
Inventory Holding period	3 months
Receivable collection period	3 months
Non-Current Assets to Sales	1 : 4
Non-Current Assets to Current Assets	1 : 2
Current Ratio	2 : 1
Non-Current Liabilities to Current Liabilities	1 : 1
Share Capital to Reserve and Surplus	4 : 1
Non-current Assets as on 31 st March, 2017	₹ 50,00,000

Assume that:

- (i) No change in Non-Current Assets during the year 2017-18
- (ii) No depreciation charged on Non-Current Assets during the year 2017-18.
- (iii) Ignoring Tax

You are required to Calculate cost of goods sold, Net profit, Inventory, Receivables and Cash for the year ended on 31st March, 2018

$$\text{COGS} = 16660000$$

$$\text{Net Profit} = 2006000$$

$$\text{INV} = 4000000$$

$$\text{Rec} = 5000000$$

$$\text{Cash} = 1000000$$

SOLUTION

Workings

$$\frac{\text{Non Current Assets}}{\text{Current Assets}} = \frac{1}{2}$$

$$\text{Or } \frac{50,00,000}{\text{Current Assets}} = \frac{1}{2}$$

$$\text{So, Current Assets} = ₹ 1,00,00,000$$

Now further,

$$\frac{\text{Non Current Assets}}{\text{Sales}} = \frac{1}{4}$$

$$\text{Or } \frac{50,00,000}{\text{Sales}} = \frac{1}{4}$$

$$\text{So, Sales} = ₹ 2,00,00,000$$

Calculation of Cost of Goods sold, Net profit, Inventory, Receivables and Cash:

(i) Cost of Goods Sold (COGS):

$$\text{Cost of Goods Sold} = \text{Sales} - \text{Gross Profit}$$

$$= ₹ 2,00,00,000 - 20\% \text{ of } ₹ 2,00,00,000$$

$$= ₹ 1,60,00,000$$

(ii) Net Profit = 10% of Sales = 10% of ₹ 2,00,00,000

$$= ₹ 20,00,000$$

(iii) Inventory:

$$\text{Inventory Holding Period} = \frac{12 \text{ Months}}{\text{Inventory Turnover Ratio}}$$

$$\text{Inventory Turnover Ratio} = 12 / 3 = 4$$

$$4 = \frac{\text{COGS}}{\text{Average Inventory}}$$

$$4 = \frac{1,60,00,000}{\text{Average Inventory}}$$

Average or Closing Inventory = ₹ 40,00,000

(iv) Receivables :

$$\text{Receivable Collection Period} = \frac{12 \text{ Months}}{\text{Receivables Turnover Ratio}}$$

$$\text{Or Receivables Turnover Ratio} = 12 / 3 = 4 = \frac{\text{Credit Sales}}{\text{Average Accounts Receivable}}$$

$$\text{Or } 4 = \frac{2,00,00,000}{\text{Average Accounts Receivable}}$$

So, Average Accounts Receivable/Receivables = ₹ 50,00,000/-

(v) Cash:

Cash* = Current Assets* – Inventory- Receivables

Cash = ₹ 1,00,00,000 - ₹ 40,00,000 - ₹ 50,00,000

= ₹ 10,00,000

(it is assumed that no other current assets are included in the Current Asset)



**ALL THE
BEST!**





thank you!