

Chapter wise Test (2006)
Ratio Analysis

Instructions

- All questions are compulsory.
- Test Duration will be 40 Minutes, starting from 11:00 AM to 11:40 AM
- 5 minutes reading time will be provided before 11, i.e. question paper will be shared by 10:55 AM.
- Share your scanned answer sheets by 11:45 on below link
<https://forms.gle/wLRZWiTvMELNpCeC6>

1. [7 Marks] Following figures are available in the books Tirupati Ltd.

Fixed assets turnover ratio	8 times
Capital turnover ratio	2 times
Inventory Turnover	8 times
Receivable turnover	4 times
Payable turnover	6 times
G P Ratio	25%

Gross profit during the year amounts to ₹8,00,000. There is no long-term loan or overdraft. Reserve and surplus amount to ₹2,00,000. Ending inventory of the year is ₹20,000 above the beginning inventory.

Required:

CALCULATE various assets and liabilities and PREPARE a Balance sheet of Tirupati Ltd.

2. [10 Marks] Following are the data in respect of LP enterprises for the year ended 31st March, 2024:

Debt to Total assets ratio	: 0.40
Long-term debts to equity ratio	: 30%
Gross profit margin on sales	: 20%
Accounts receivables period	: 36 days
Quick ratio	: 0.9
Inventory holding period	: 60 days
Cost of goods sold	: 64,00,000

Liabilities		Assets	
Equity Share Capital	20,00,000	Fixed assets	
Reserves & surplus		Inventories	
Long-term debts		Accounts receivable	
Accounts payable		Cash	
Total	50,00,000	Total	

Required:

COMPLETE the Balance Sheet of LP enterprises as on 31st March, 2024. All calculations should be in nearest Rupee. Assume 360 days in a year.

3. [8 Marks] The following information of ASD Ltd. relate to the year ended 31st March, 2022:

Net profit	8% of sales
Raw materials consumed	20% of Cost of Goods Sold
Direct wages	10% of Cost of Goods Sold
Stock of raw materials	3 months' usage
Stock of finished goods	6% of Cost of Goods Sold
Gross Profit	15% of Sales
Debt collection period	2 Months
(All sales are on credit)	

Current ratio	2 : 1
Fixed assets to Current assets	13 : 11
Fixed assets to sales	1 : 3
Long-term loans to Current liabilities	2 : 1
Capital to Reserves and Surplus	1 : 4

You are required to PREPARE-

- a. Profit & Loss Statement of ASD Limited for the year ended 31st March, 2022 in the following format.

Particulars	(₹)	Particulars	(₹)
To Direct Materials consumed	?	By Sales	?
To Direct Wages	?		
To Works (Overhead)	?		
To Gross Profit c/d	?		

	?		?
To Selling and Distribution Expenses	?	By Gross Profit b/d	?
To Net Profit	?		?
	?		?

Balance Sheet as on 31st March, 2022 in the following format.

Liabilities	(₹)	Assets	(₹)
Share Capital	?	Fixed Assets	1,30,00,000
Reserves and Surplus	?	Current Assets:	
Long term loans	?	Stock of Raw Material	?
Current liabilities	?	Stock of Finished Goods	?
		Debtors	?
		Cash	?
	?		?

