

J&K POLICE PUBLIC SCHOOL

MIRAN SAHIB JAMMU

CLASS –XII
ASSIGNMENT- 1

SUBJECT – ACCOUNTANCY
TOPIC – RATIO ANALYSIS & TOOLS
FOR FINANCIAL ANALYSIS
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MAX. MARKS-20

Q 1. The current ratio of a co. is 2:1. State giving reasons which of the following transactions would improve , reduce or not alter the current ratio:

- (i) Repayment of current liability
- (ii) Purchasing goods on credit
- (iii) Sale of office typewriter (book value Rs 4000) for RS 3000.
- (iv) Sale of merchandise (cost Rs 10000) for Rs 11000
- (v) Payment of dividend
- (vi) Sale of motor car for cash for RS 15000
- (vii) Redemption of debentures
- (viii) Cash received from debtors
- (ix) Debentures converted into shares.
- (x) Issue of debentures against the purchase of fixed assets.

(10*1)

Q 2 A firm had a current liability of 90000. It then acquired stock in trade at a cost of Rs 10000 on credit. After this acquisition the current ratio was 2:1. Determine the size of current assets & working capital before & after the stock was acquired. (5)

Q 3 Calculate opening & closing debtors from the following: Stock turnover ratio 3 times , Average debt collection period 4 months , average stock 100000, Cash sales being $33\frac{1}{3}\%$ of credit sales , Gross profit ratio 25%, Debtors at end 3 times more than in the beginning. (5)