INDIAN SCHOOL MUSCAT

Senior Section

Department of Commerce and Humanities

Class : XII | Worksheet-No 15 | Reference: T.S.Grewal

CH- 15: MCQs RATIO ANALYSIS

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Time Allowed : 25 minutes

1.Two basic measures of liquidity are:

A. Inventory turnover and Current ratio
B. Current ratio and Quick ratio
C. Gross Profit ratio and Operating ratio
D. Current ratio and average Collection period

2.Current ratio is:

A. Solvency Ratio
B. Liquidity ratio
C. Activity Ratio
D. Profitability Ratio

3.Current Ratio is :

A. Liquid Assets/Current Assets
B. Fixed Assets/Current Assets
C. Current Assets/Current Liabilities
D. Liquid assets/Current Liabilities

4.Liquid Assets do not include:

A. Bills Receivable
B. Debtors
C. Inventory
D. Bank Balance

5.Ideal Current Ratio is:

A. 1:1
B. 1:2

C. 1:3
D. 2:1

6. Working Capital is the :

A. Cash and Bank Balance
B. Capital borrowed from Banks
C. Difference between Current Assets and Current Liabilities
D. Difference between Current Assets and Fixed assets

7.Current assets include only those assets which are expected to be realized within......

A. 3 months
B. 6 months
C. 1 year
D. 2 years

8.A Company's liquid assets are ₹5,00,000 and its current liabilities are ₹3,00,000.Thereafter, it paid ₹1,00,000 to its trade payables. Quick ratio will be:

A. 1.33:1
B. 2.5:1
C. 1.67:1
D. 2:1

9.A Company's Quick Ratio is 1.5:1; Current Liabilities are ₹2,00,000 and Inventory is ₹1,80,000.Current Ratio will be:

A. 0.9:1
B. 1.9:1
C. 1.4:1
D. 2.4:1

10.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.Proprietory Ratio will be:

A. 75%
B. 80%
C. 125%
D. 133%

11.If Debt equity ratio exceeds ...., it indicates risky financial position.

A. 1:1
B. 2:1
C. 1:2

D. 3:1

12.Equity Share Capital ₹20,00,000; Reserves ₹5,00,000; Debentures ₹10,00,000; Current Liabilities ₹8,00,000. Debt-equity ratio will be:

(A) 0.4 : 1

(B) 0.32 : 1

(C) 0.72 : 1

(D) 0.5 : 1

13. On the basis of following data, the Debt-Equity Ratio of a Company will be: Equity Share Capital ₹5,00,000; General Reserve ₹3,20,000; Preliminary Expenses ₹20,000; Debentures ₹3,20,000; Preliminary Expenses ₹20,000; Debentures ₹3,20,000; Current Liabilities ₹80,000.

(A) 1:2

(B) 0.52:1

(C) 0.4:1

(D) 0.37:1

14. On the basis of the following information received from a firm, its Proprietary Ratio will be:

Fixed Assets ₹3,30,000; Current Assets ₹1,90,000; Preliminary Expenses ₹30,000; Equity share Capital ₹2,44,000; Preference Share capital ₹1,70,000; Reserve Fund ₹58,000.

A. 70%
B. 80%
C. 85%
D. 90%

15. On the basis of the following information received from a firm, its Total Assets-Debt ratio will be:

(A) 40%

(B) 60%

(C) 30%

(D) 70%

16. 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

17. Revenue from Operations ₹2,00,000; Inventory Turnover ratio 5; Gross Profit 25%. Find out the value of Closing Inventory, if Closing Inventory is ₹8,000 more than the Opening Inventory.

(A) ₹38,000

(B) ₹22,000

(C) ₹34,000

(D) ₹26,000

18.Total revenue from operations ₹9,00,000; Cash revenue from operations ₹3,00,000; Debtors ₹1,00,000; Debtors ₹1,00,000; B/R ₹20,000. Trade Receivables Turnover Ratio will be:

(A) 5 Times

(B) 6 Times

(C) 7.5 Times

(D) 9 Times

19. A firm's credit revenue from operations is ₹3,60,000, cash revenue from operations is ₹70,000. Cost of revenue from operations is ₹3,61,200. Its gross profit ratio will be:

(A) 11%

(B) 15%

(C) 18%

(D) 16%

20. Revenue from Operations ₹6,00,000; Gross Profit 20%; Office Expenses ₹30,000;Selling Expenses ₹48,000.Calculate operating ratio.

(A) 80%

(B) 85%

(C) 96.33%

(D) 93%

21.State whether the following statement is True or False:

Solvency refers to the ability of the enterprise to meet its current obligations.

22. State whether the following statement is True or False:

Current ratio improves with increase in sales at profit.

23. Fill in the blanks with appropriate word:

An ideal Quick Ratio is ....

24. Fill in the blanks with appropriate word:

...............is the process of determining and interpreting numerical relationship between figures of the financial statements.

25. State whether the following statement is True or False:

Lower the Gross Profit Ratio, higher will be the profitability of a company.

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PLEASE PRACTICE AND THAN CHECK ANSWER

ANSWERS :- Marks Scored :----------------------------/ 25

Q No	Answer	Q No	Answer	Q No	Answer
1	B	10	A	19	D
2	B	11	B	20	D
3	C	12	A	21	True
4	C	13	C	22	True
5	D	14	C	23	1:1
6	C	15	A	24	Ratio Analysis
7	C	16	D	25	False
8	D	17	C		
9	D	18	A		