Week 9 Assignment-9

The due date for submitting this assignment has passed. As per our records you have not submitted this assignment. Due on 2019-04-03, 23:59 IST:

1) Current Assets indicates the amount of assets available for repayment of:

- Current liabilities
- Quick liabilities
- Non-current liabilities
- Long term liabilities

No, the answer is incorrect.
Score: 0
Accepted Answers:
Current liabilities

2) Which of the following ratios is a measure of the extent to which liquid resources are immediately available to meet current obligations.

- Current Ratio
- Quick Ratio
- Stock turnover ratio
- None of the above

No, the answer is incorrect.
Score: 0
Accepted Answers:
Quick Ratio

3) Calculate current ratio from the following (Figures in Rs.):

- Sundry debtors: 4,00,000
- Stock: 1,60,000
- Marketable securities: 80,000
- Cash: 1,20,000
- Prepaid expenses: 40,000

2:3
1:1
4) Calculate quick ratio from the information given in Question 3

- 2:1
- 1:1
- 1:2
- 2:3

No, the answer is incorrect.
Score: 0
Accepted Answers: 2:1

5) In computing Debt/Equity ratio, equity includes

- Only equity capital
- Equity and preference capital
- Equity and preference capital plus all reserves
- Equity and fixed assets

No, the answer is incorrect.
Score: 0
Accepted Answers: Equity and preference capital plus all reserves

6) Super quick or cash assets include

- Only cash
- Cash and debtors
- Cash and debtors (except bad debts)
- Cash and marketable securities

No, the answer is incorrect.
Score: 0
Accepted Answers: Cash and marketable securities

7) Calculate creditor turnover ratio and debt payment period respectively from the following information (Figures in Rs.):

- Cash purchases: 1,00,000
- Total purchases: 4,07,000
- Opening sundry creditors: 25,000
- Closing sundry creditors: 50,000
- Closing Bill payable: 25,000
- Opening Bill payable: 20,000
- Purchase returns: 7,000

- 5 times, 75 days
- 4 times, 73 days
8) From the following information, calculate the debt-equity ratio (Figures in Rs.) 1 point:

<table>
<thead>
<tr>
<th>Equity Shares Capital</th>
<th>1,00,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Reserve</td>
<td>45,000</td>
</tr>
<tr>
<td>Accumulated Profits</td>
<td>30,000</td>
</tr>
<tr>
<td>Debentures</td>
<td>75,000</td>
</tr>
<tr>
<td>Sundry trade creditors</td>
<td>40,000</td>
</tr>
<tr>
<td>Outstanding expenses</td>
<td>10,000</td>
</tr>
</tbody>
</table>

- 7:3
- 3:5
- 3:7
- 5:3

No, the answer is incorrect.
Score: 0
Accepted Answers: 3:7

9) Calculate operating profit ratio from the following data (Figures in Rs.) : 1 point

<table>
<thead>
<tr>
<th>Sales</th>
<th>3,00,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross profit</td>
<td>1,20,000</td>
</tr>
<tr>
<td>Administration expenses</td>
<td>35,000</td>
</tr>
<tr>
<td>Selling and distribution expenses</td>
<td>25,000</td>
</tr>
<tr>
<td>Income on investment</td>
<td>15,000</td>
</tr>
<tr>
<td>Loss by fire</td>
<td>9,000</td>
</tr>
</tbody>
</table>

- 20%
- 25%
- 30%
- 15%

No, the answer is incorrect.
Score: 0
Accepted Answers: 20%

10) Calculate current liabilities from the information given below: 0 points

- Current ratio 2 : 5
- Quick ratio 1 : 5
- Working capital Rs.60000

- 30,000
- 60,000
- 50,000
- 40,000

No, the answer is incorrect.
Score: 0
Accepted Answers: 40,000
11. Writing off a debtor as a bad debt will cause the quick ratio to:

- [ ] Increase
- [ ] Decrease
- [ ] Have no effect
- [ ] Can't be calculated

*No, the answer is incorrect.*
*Score: 0*

*Accepted Answers:*
*Decrease*

12. Match the following:

1. Test of Solvency  
   - [ ] A. ROI
   - [ ] B. Debtors turnover
   - [ ] C. Acid test ratio
   - [ ] D. Debt equity ratio

*No, the answer is incorrect.*
*Score: 0*

*Accepted Answers:*
*D, A, C, B*