Week-8 Assignment-8

The due date for submitting this assignment has passed. As per our records you have not submitted this assignment.

Due on 2019-03-27, 23:59 IST.

1) Which of the followings is a solvency ratio?
   - Return on net worth
   - Net Assets Value
   - Fixed assets turnover ratio
   - Debtors’ turnover ratio

No, the answer is incorrect.
Score: 0
Accepted Answers:
Net Assets Value

2) What is indicated by the Solvency ratios?
   - Financial strengths and possibility of long term survival of the company
   - Operational strengths of the company
   - Liquidity position of the company
   - Capital market position of the company

No, the answer is incorrect.
Score: 0
Accepted Answers:
Financial strengths and possibility of long term survival of the company

3) What is measured by Net Assets Value (NAV) ratio?
   - Net worth per equity share
   - Net assets value per equity share
   - Capital market price per share
   - Both ‘A’ & ‘B’

No, the answer is incorrect.
Score: 0
Accepted Answers:
Both ‘A’ & ‘B’
1. Capacity of the firm to pay its interest liability on its long term borrowings out of its total profits
2. Capacity of the firm to pay its interest liability on its long term borrowings out of its cash profits
3. Capacity of the firm to pay its long term borrowings out of cash profits
4. Capacity of the firm to pay its interest liability and long term borrowings out of cash profits

No, the answer is incorrect.
Score: 0
Accepted Answers:
Capacity of the firm to pay its interest liability on its long term borrowings out of its cash profits

5) Which of the followings is the best measure of the debt equity ratio?  

- Long-term debt/Total net worth
- Long-term debt/Total net worth + Preference capital
- Total debt/Total net worth + Preference capital
- Long-term debt/ Preference capital

No, the answer is incorrect.
Score: 0
Accepted Answers:
Long-term debt/Total net worth + Preference capital

6) Given:

- PAT = Rs. 1511.70 lacs
- Amortisation = Rs. 317.91 lacs
- Total Interest = Rs. 217 lacs
- Interest on long term debt = Rs. 96.43 lacs
- Total loan repayment = Rs. 220 lacs
- Long term loan repayment = Rs. 182.27 lacs

So what is the interest coverage ratio?

- 16.97 times
- 18.97 times
- 19.97 times
- 21.97 times

No, the answer is incorrect.
Score: 0
Accepted Answers:
19.97 times

7) As per data given in Q. No. 6 what is the Debt service coverage ratio?

- 6.97 times
- 8.91 times
- 9.97 times
- 6.91 times

No, the answer is incorrect.
Score: 0
Accepted Answers:
6.91 times
8) From the given statements which one defines the liquidity position of a firm correctly?

- Liquidity is the capacity of a firm to discharge its customers and service providers and meet its day to day expenses
- Liquidity is the capacity of a firm to discharge its suppliers and service providers and meet its annual expenses
- Liquidity is the capacity of a firm to discharge its suppliers and service providers and meet its day to day expenses
- Liquidity is the capacity of a firm to discharge its owners and meet its day to day expenses

No, the answer is incorrect.
Score: 0
Accepted Answers: 
Liquidity is the capacity of a firm to discharge its suppliers and service providers and meet its day to day expenses

9) Which one of the followings not a liquidity ratio?

- Current ratio
- Super quick ratio
- Debt collection period
- Interest coverage ratio

No, the answer is incorrect.
Score: 0
Accepted Answers: 
Interest coverage ratio

10) For calculating the super quick or cash ratio which current assets are considered?

- All current assets
- All current assets - Inventory
- All current assets - Inventory - Sundry debtors
- Only Cash and short term investments

No, the answer is incorrect.
Score: 0
Accepted Answers: 
Only Cash and short term investments

11) Which one of the following equations is used to calculate creditors’ payment period?

- Payables/Credit purchases × 365
- Receivables/Credit purchases × 365
- Credit purchases/Payables
- Receivables + Payables/Credit purchases × 365

No, the answer is incorrect.
Score: 0
Accepted Answers: 
Payables/Credit purchases × 365
Inventory = Rs. 824.14, Receivables = Rs. 576.48, Sales = Rs. 4500, COGS = Rs. 4301.25.

Calculate the Inventory holding period.

- 72 Days
- 70 Days
- 68 Days
- 67 Days

No, the answer is incorrect.

Score: 0

Accepted Answers:
70 Days