

ACCOUNTS

BOOKS - SULTAN CHAND & SONS ACCOUNTS (HINGLISH)

PRACTICE WORK

Illustration

1. Fixed Assets (at cost) ₹ 12,00,000,Accumulate Depreciation till date ₹ 2,00,000, Trade Investment ₹ 1,00,000, Current Assets ₹ 4,40,000: Current Liabilities ₹ 3,40,000, Revenue form Opertions ,ie.Net sales for the year 2018-19 amounted to ₹ 20,00,000.Calculate Capital employed turnover ratio.



Watch Video Solution

2. Sharholders Funds ₹ 10,00,000, Long -term Debts ₹ 20,00,000 Gross

Profit at 20 % on Cost was ₹ 20,000,000.Calculate Capital Employed

Turnover Ratio.



Watch Video Solution

3. From the following data ,compute Total Assets Turnover Ratio: Fixed Assets ₹ 3,00,000 ,Accumulated Depreciation ₹ 1,00,000, Current Assets ₹ 2,00,000 Revenue from operations (Net sales) ₹ 8,00,000.



4. Fixed Assets (At cost) ₹ 21,00,000, Accumulated Depreciation till date ₹ 3,00,000 Credit Sales ₹ 51,00,000, Cash Sales ₹ 4 ,50,000, Sales Return ₹ 1,50,000. Calculate Fixed Assets Turnover Ratio



5. Capital Employed is ₹ 5,00,000, Working Capital is ₹ 1,00,000, Cost of Revenue from Operations is ₹ 16,00,000, Gross Profit is ₹ 4,00,000. Calculate Fixed Assets Turnover Ratio.



6. Current Assets ₹ 15,00,000, Credit sale ₹ 42,50,000, Cash sales ₹ 3,75,000, Sales Return ₹ 1,25,000. Calculate Current Assets Turnover Ratio.



7. Capital Employed is ₹ 5,00,000, Working Capital is ₹ 1,00,000, Cost of Revenue from Operations is ₹ 16,00,000, Gross Profit is ₹ 4,00,000.Total Assets ₹ 5,00,000. Calculate Fixed Assets Turnover Ratio.



8. From the following Balance sheet of Cello Ltd. And information as at 31 st March ,2019 compute Current Assets Turnover Ratio

Particulars	Note No.	31st March, 2019 (₹)
. EQUITY AND LIABILITIES		
1. Shareholders' Funds (a) Share Capital		7,50,000
(b) Reserves and Surplus	Maria San Carlos	7,20,000
2. Current Liabilities		7,60,000
Total		22,30,00

II. ASSETS 1. Non-Current Assets	1 TO 12 TO 1
Fixed Assets — Tangible Assets 2. Current Assets	4,00,000
(a) Inventories	9,00,000
(b) Trade Receivables (c) Cash and Cash Equivalents	8,60,000
Total	70,000

Sales and Sales Return for the current year are ₹ 1,90,00,000 and ₹ 7,00,000 respectively.



9. From the following statement of profit and loss for the year ended 31st March ,2019 of Reynolds Ltd.

1. Pougous franco.	Note No.	31st March, 2019 (₹)
Revenue from Operations (Net Sales) Other Income	1	8,00,000
III. Total Revenue (I + II)		4,600
IV. Expenses:		8,04,600
(a) Purchases of Stock-in-Trade		
(b) Change in Inventories of Stock-in-Trade	-	4,20,000
(c) Employees Benefit Expenses	2	(40,000)
(d) Other Expenses	3	28,000 1,15,400
Total Expenses	3	5,23,400
V. Net Profit (III – IV)		2,81,200
		2/01/200
Notes to Accounts		
Particulars		31st March
		2019(₹)
1. Revenue from Operations		
Sales		8,50,000
Less: Returns		50,000
		8,00,000
2. Change in Inventories of Stock-in-Trade		
Opening Inventories		60.000
Less: Closing Inventories		1,00,000
Ecs. Closing in citation		(40,000
3. Other Expenses		
Office Expenses		48,000
Office Experises		64,000
Selling and Distribution Expenses		3 400
		1,15,400

Calculate (i) Gross Profit Ratio,(ii) Operating Profit Ratio,(iii) Operating Ratio, (iv) Expenses Ratio, (v) Net Profit Ratio.



From the following data ,calculate Return	₹
Equity share Capital	1,00,000
10% Preference share Capital	2,90,000
Net profit after Interset and Tax	2,94,000



10.

16,000 Equity shares ₹ 10 each (fully paid) 1,60,000 10 % Preference share capital (fully paid) 1,00,000 Reserve ans surplus 6,40,000 Profit after tax 2,37,500

Caluculated Return on Equity Shareholder's Funds,



12. Y Ltd. Has earned a profit of ₹ 50,000 for the year ended 31 st March

2019 .Y Ltd, had fixed assets having net value (after depreciation) of ₹

7,50,000 and current Return on Total Assets Ratio.



13. Calculate Earning Per Share (EPS) from the following data,

Profit after Tax: ₹ 50,000

10 % Preference Share Capital (₹ 10 each), ₹ 1,00,000

Equity Share Capital (₹ 10 per Share), ₹ 1,00,000



Exercies

1. Fixed Assets (at cost) ₹ 30,00,00, Accumulated Depreciation till date ₹ 5,00,000 , Trade Investments ₹ 2,50,000: Current Assets ₹ 11,00,000, Currents Liabilities ₹ 8,50,000, Cash Sales ₹ 10,00,000, Gross Credit Sales Return ₹ 2,50,000 .Calculate Employed Trunover Ratio.



View Text Solution

2. Fixed Assets ₹ 4,00,000, working Capital ₹ 2,00,000, Cost of Goods Sold ₹ 20,00,000, Gross Sold ₹ 20,00,000, Gross profit ₹ 4,00,000 .Calculate Captial Employed Trunover Ratio



View Text Solution

3. Shareholder's Funds ₹ 4,00,000, Long-term Debts ₹ 8,00,000, Gross profit at 20 % on cost was ₹ 8,00,000, Gross Profit at 20% on cost was ₹

8,00,000.Calculate capital Employed Trunover Ratio.



4. Following is the Balance Sheet of X Ltd.

BALANCE SHEET as at 31st March, 2019		
Particulars	Note No.	₹
I. EQUITY AND LIABILITIES		
1. Shareholders' Funds		
(a) Share Capital		50,00,000
(b) Reserves and Surplus		10,00,000
2. Non-Current Liabilities		
Long-term Borrowings (10% Debentures)	195 1 SEC.	10,00,000
3. Current Liabilities		
Trade Payables		5,00,000
Total		75,00,000
ASSETS		
1. Non-Current Assets		
Fixed Assets		45,00,000
2. Current Assets		
(a) Inventories		10,00,00
(b) Trade Receivables		17,00,00
(c) Cash and Cash Equivalents		3,00,00
Total		75,00,00

Sales for the following ratios,

- (i) Total Assets Turnover Ratio,
- (ii) Fixed Assets Turnover Ratio, and
- (iii) Current Assets Trunover Ratio.



5. Calculate the Materials Consurned Ratio, Employees Benefit Expenses

Ratio, Admninistrative Expenses Ratio, Selling and Distribution Expenses

Ratio and Other Expenses Ratio from the following information

₹

Opening Stock (Finished Goods) Nil Wages

Net Sales 1,60,000 : | Administrative Expenses

Material Consumed 80,000 Selling and Distribution E Closing Stock (Finished Goods) Nil Manufacturing Expenses



View Text Solution

6. Following information is available of XYZ Ltd for the year ended 31st March, 2019:

Net Profit before Interest and Tax ₹ 2,75,000, Net Profit after Tax ₹

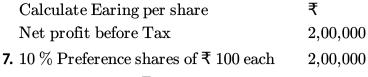
2,20,000, Net Profit after Interest and Tax ₹ 1,10,000, Preference Dividend ₹

35,000, Capital Ermployed ₹ 11,00,000, Total Assets ₹ 12,65,000, Net Worth, i.e., Shareholders' Funds ₹ 7,50,000. Calculate: (i) Return on Capital

Employed, (ii) Return on Total Assets, (iii) Return on Sharehoders Funds



View Text Solution



Equity Shares of ₹ 10 each 2,00,000

Tax Rate 50%



View Text Solution

Viva Question

1. What was the reason for Ms. Parul and Ms. Aruna to become partners in the business?



2. Why is it necessary for Ms. Parul and Ms. Aruna to enter into partnership Deed?

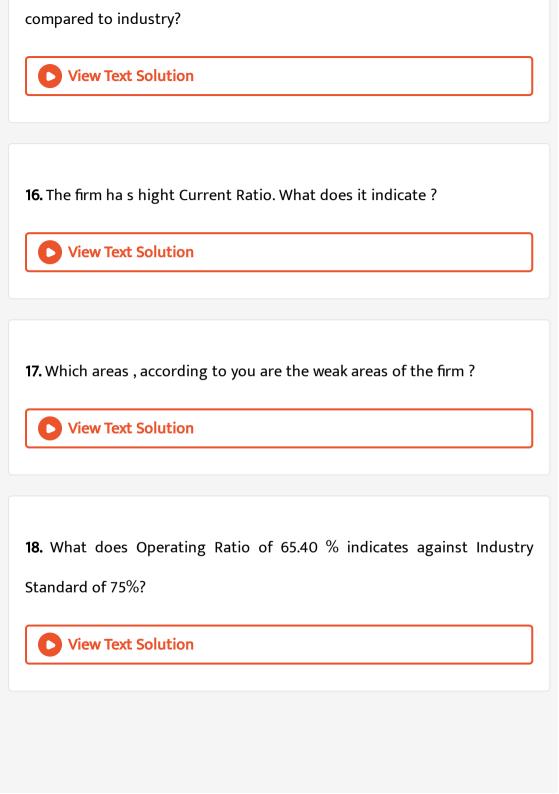


View Text Solution

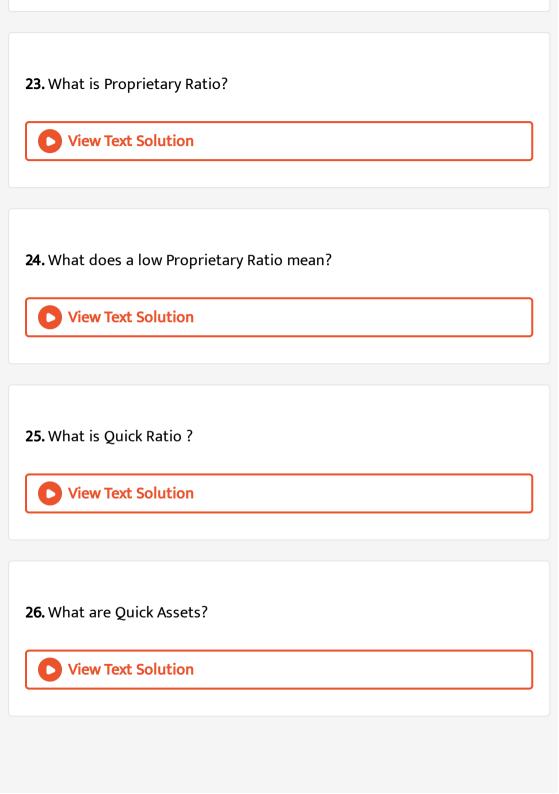
3. Why is it necessary to prepare Trial Balance?
View Text Solution
4. Was the bank balance reconciled?
View Text Solution
5. What does a Trading Account show?
View Text Solution
6. What does Profit and Loss Account show?
View Text Solution
7. Give two characteristics of a Balance Sheet

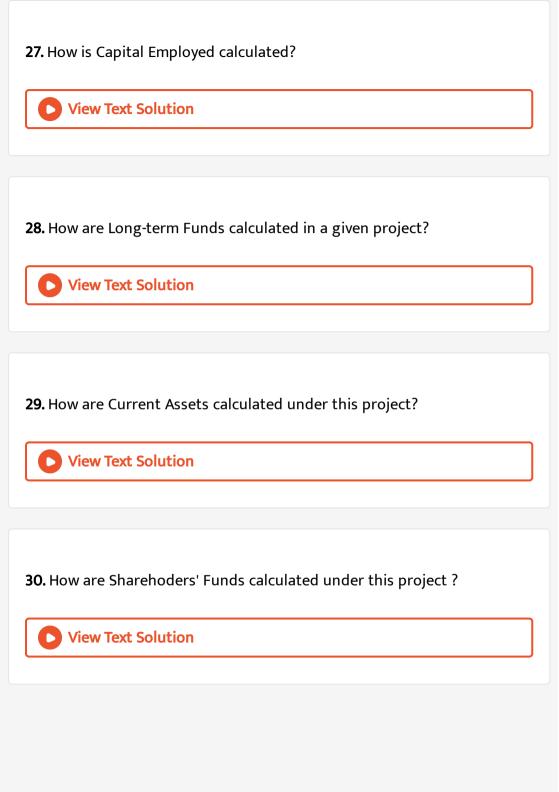
View Text Solution
8. What do youunderstandby 'Direct Expenses?
View Text Solution
9. How is Closing Stock (inventory) valued?
View Text Solution
10. Why do we recognise 'income earned but not received' and 'expenses
incurred but not paid' in the books of account?
View Text Solution
11. What can be the reasons for a firm earning higher Gross Profit than
the industry standards ?

View Text Solution
12. Operating Ratio is lower than the industry standard. Is it good for the firm?
View Text Solution
13. Do you think lower Inventory Turnover Ratio is good for the firm?
View Text Solution
14. Why do you think lower Trade Payables Turnover Ratio is not good for the firm?
View Text Solution
15. Working Capital Turnover Ratio of the firm is 0.94 against industry standard of 2. Do you think the firm is performing better in this area as



19. Gross Profit Ratio is 46.72% against Industry Standard of 40%. What does it mean? **View Text Solution** 20. Net Profit Ratio is 33.50% against industry standard 27.5%. What does it mean? **View Text Solution** 21. Kapil Ltd. improves its Current Ratio to 2:1, and Quick Ratio to 1:1,in your opinion can it be rated as better company than Kamal Ltd? **View Text Solution** 22. what is Debt to Equity RatiO? **View Text Solution**





31. What are the various ratios used for establishing profitability and
financial position of an enterprise?
View Text Solution
32. Explain Retuirn on Total Assets Ratio
View Text Solution
33. What is the significance of Return on Total Assets Ratio?
View Text Solution
34. What is Total Assets to Debt Ratio?
View Text Solution

35. What is meant by Gross Profit? View Text Solution

36. Fill in the blanks

- (i) Current Ratio = $\frac{\text{Current Assets}}{?}$
- (ii) Return on Total Assets $\,=\,rac{ ext{Profit after Tax}}{?} imes 100$



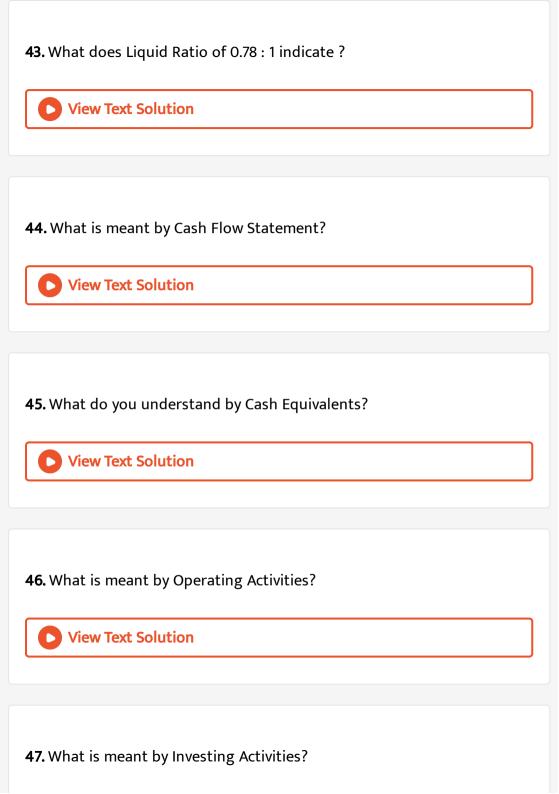
37. What does it mean-Collection period of 1.5 months?

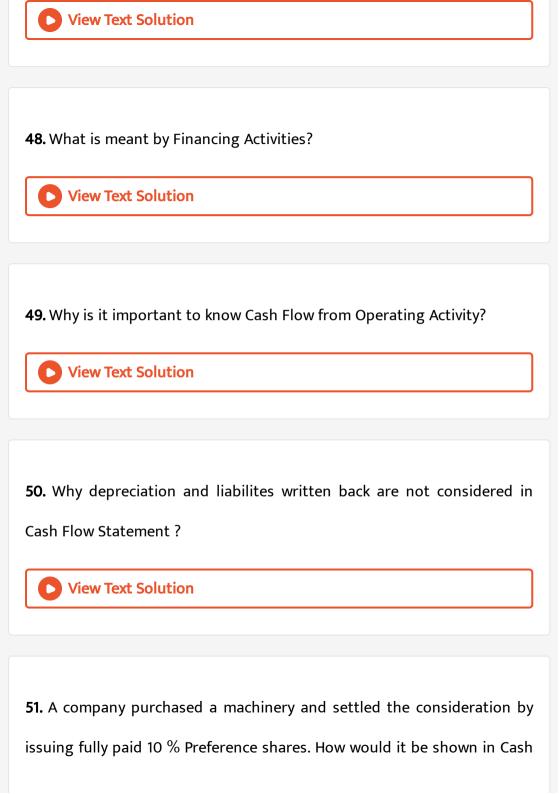


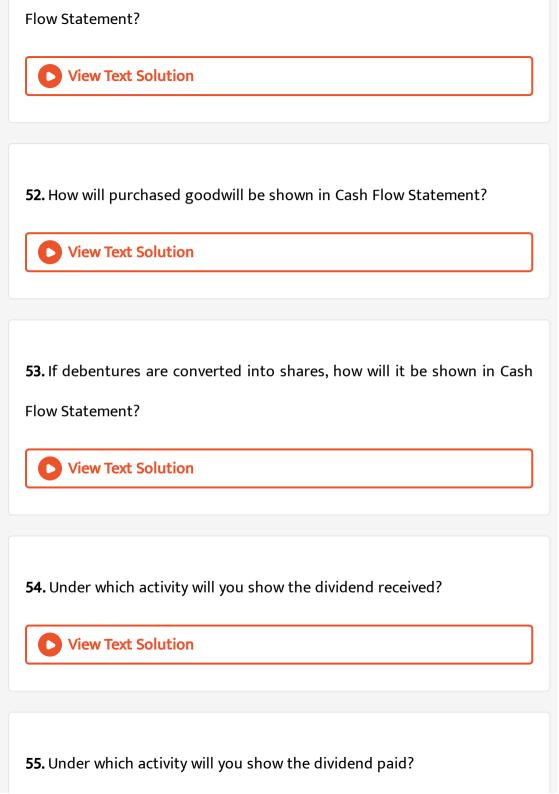
38. What is meant by Liquidity Ratios?



39. What is the significance of calculating Current Ratio?
View Text Solution
40. Why are loose tools, stores and spares not included in Current Assets
while calculating Liquidity Ratios?
View Text Solution
41. What is meant by 'current liabilities '?
View Text Solution
42. Should the bank overdaft be included in current liablilities?
View Text Solution









56. In the project, you have deducted ₹ 10,759 lakhs being interest received from Cash Flow from Operating Activity. Why?



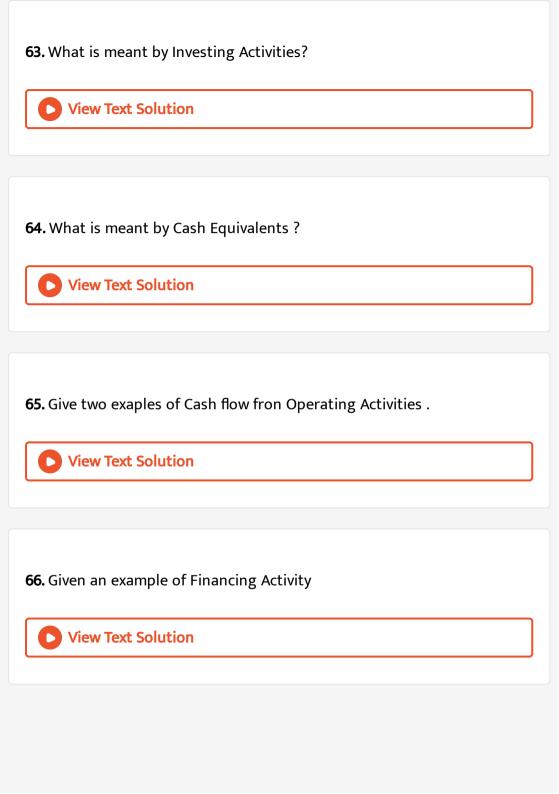
57. Why have you shown ₹ 23,755 lakhs being dividend related to financial year ended 31st March, 2014 as outflow of cash in the financial year ended 31st March, 2015 ?



58. You have shown interest paid of ₹ 514 lakhs under Cash Flow from Financing Activity, whereas you have shown interest received of ₹ 10,759 lakhs under Cash Flow from Investing Activity. Why?



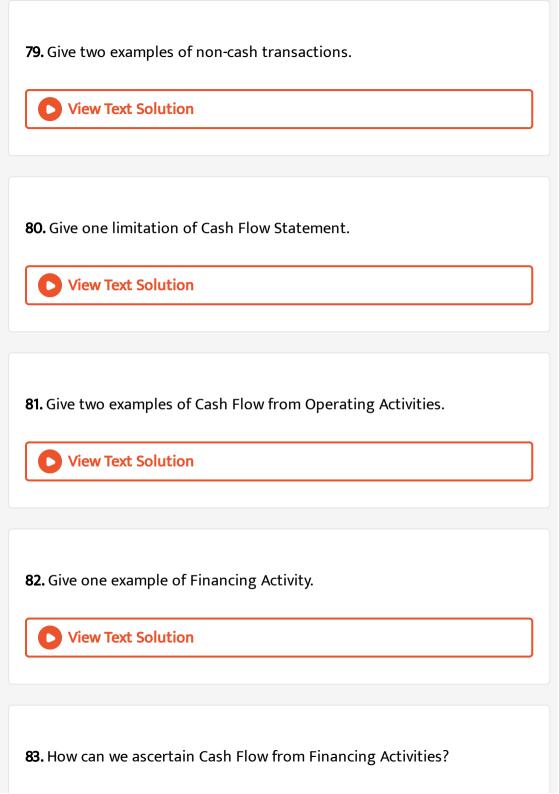
59. The company has Cash Flow from Operating Activity of ₹ 62,525 lakhs. Do you consider it to be healthy for the company? **View Text Solution** 60. In the project, why you have added Deferred Tax Liability (Net) toSharehoders' Funds? **View Text Solution** 61. What is meant by Operating Activities? **View Text Solution** 62. What is meant by Financing Activities? **View Text Solution**



67. How do you treat depreciation in calculating Cash Flow from Operating Activities, It being non-cash expenditure. **View Text Solution** 68. Give one example of an activity which is classified as Operating Activity in case of all the enterprises. **View Text Solution** 69. Give one example of an activity which is classified as Financing Activity in case of all the enterprises. **View Text Solution** 70. Give one example of an activity which is classified as Investing Activity in case of all the enterprises.

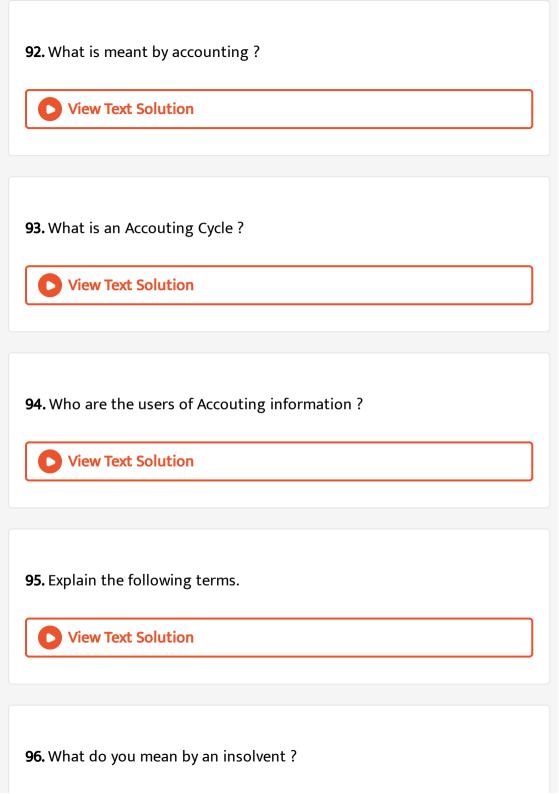
View Text Solution
71. How can we ascertain Cash Flow from Investing Activities?
View Text Solution
72. How can we ascertain Cash Flow from Finacing Activities?
View Text Solution
73. State the conditions for an investment of qualify as Cash Equivalent.
75. State the conditions for an investment of quality as easil Equivalent.
View Text Colution
View Text Solution
74. List any two Operating Activities which result into inflow of cash .
View Text Solution

75. Under which activity is dividend received shown?
View Text Solution
76. Under which activity is dividend received shown ?
View Text Solution
77. Give two conditions required to be satisfied for any investment to
qualify as cash equivalents
View Text Solution
78. Give the treatment of non-cash transactions in Cash Flow Statement
View Text Solution



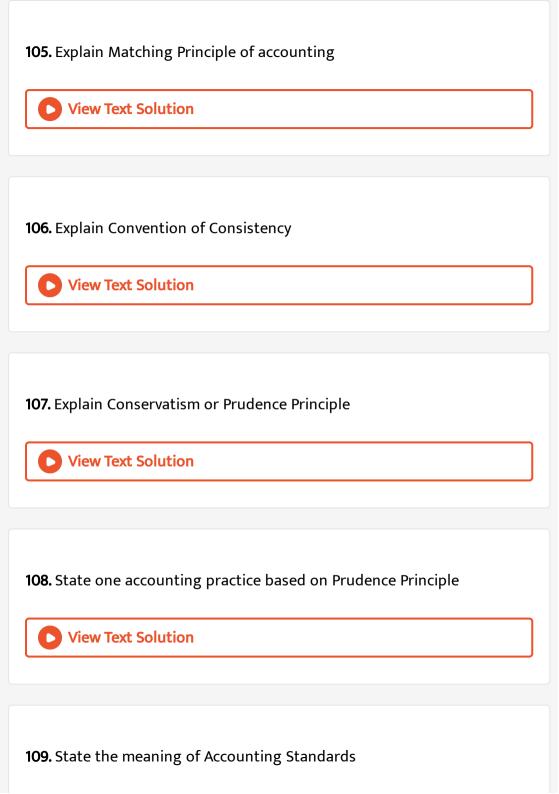
View Text Solution
84. How can we ascertain Cash Flow from Investing Activities?
View Text Solution
85. What is segment reporting?
View Text Solution
86. Name the various segments of ITC limited.
View Text Solution
87. Which segment is the best segment of the Company?
View Text Solution

88. Which segment has highest revenue
View Text Solution
89. Can you state the risks carried by FMCG- Cigarettes segment?
View Text Solution
90. Should the company operate in only FMCG-Cigarettes segment due to
high profit ?
View Text Solution
91. What is book keeping?
View Text Solution
VIEW TEXT SOLUTION

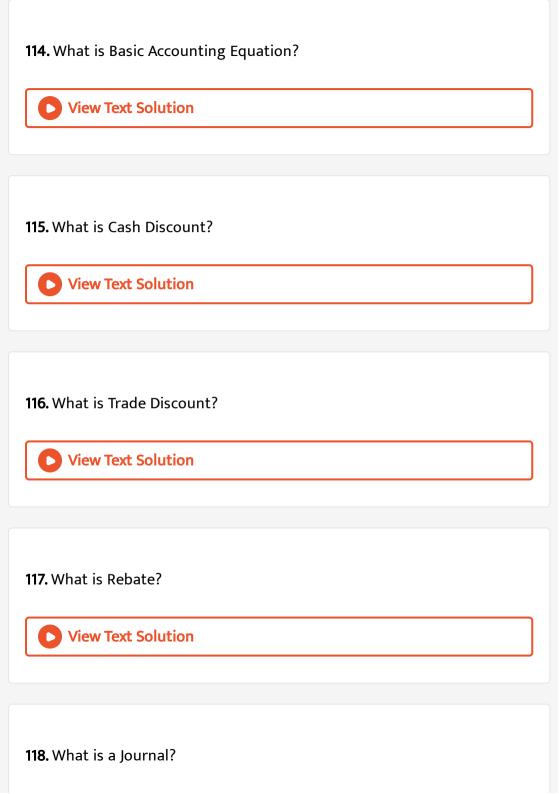


View Text Solution
97. What is Profit ?
View Text Solution
98. What is meant by Goods ?
View Text Solution
99. How is inventory (stock) valued ?
View Text Solution
100. What is Accounting Entity Assumption (or business Entity Assumption)?
View Text Solution

101. What is Money Measurement Assumption ?
View Text Solution
102. What is Going Concern Concept (Assumption)?
View Text Solution
103. What is Dual Aspect Concept of accounting?
View Text Solution
104. What is Realisation Concept of accounting?
View Text Solution
View Text Solution 104. What is Realisation Concept of accounting?

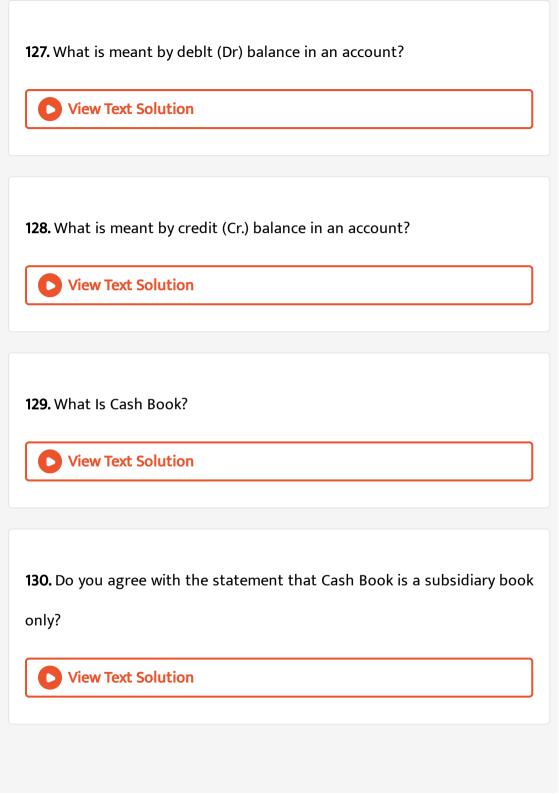


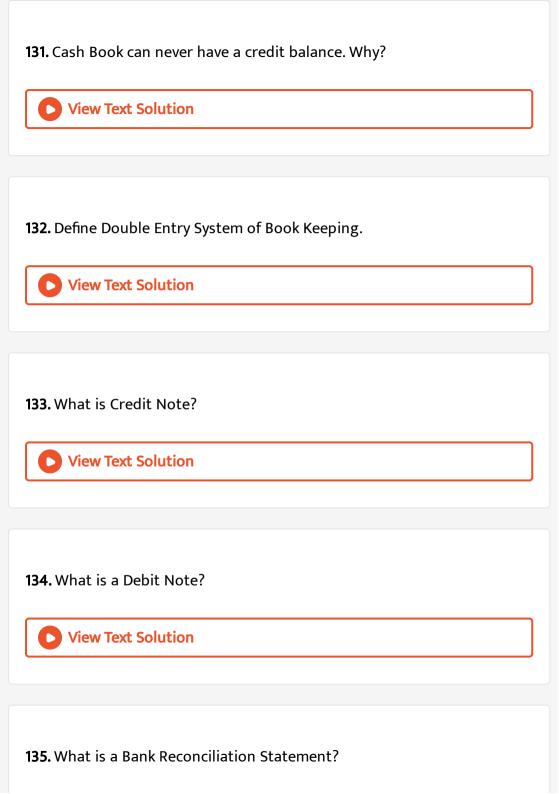
View Text Solution
110. What is the main objective of setting Accounting Standards?
View Text Solution
111. What is Voucher?
View Text Solution
112. What is Debit Voucher?
View Text Solution
113. What is Credit Voucher?
View Text Solution



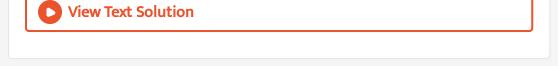
View Text Solution
119. Why is Journal called a Book of Prime Entry?
View Text Solution
120. What is an Opening Entry? View Text Solution
121. What is Journalising? View Text Solution
122. What is a simple Journal entry? View Text Solution

123. What is a compound Journal entry?
View Text Solution
124. Which account shall be debited for goods distributed as free samples?
View Text Solution
125. Name the book in which accounts are opened.
View Text Solution
126. Why is the Ledger called the Book of Final Entry?
View Text Solution





View Text Solution
136. When can a Bank Reconciliation Statement be prepared?
View Text Solution
137. What is a Trial Balance?
View Text Solution
138. State the accounts which are not considered while preparing the Trial
Balance by Balance Method Accounts which do not show any balance are
not considered while preparing the Trial Balance by
View Text Solution
139. What is a Suspense Account?



140. What is Error of Principle?

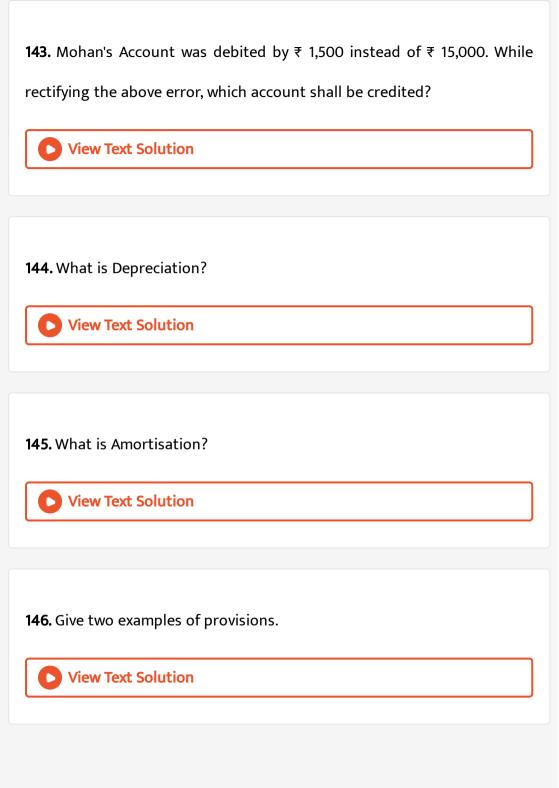


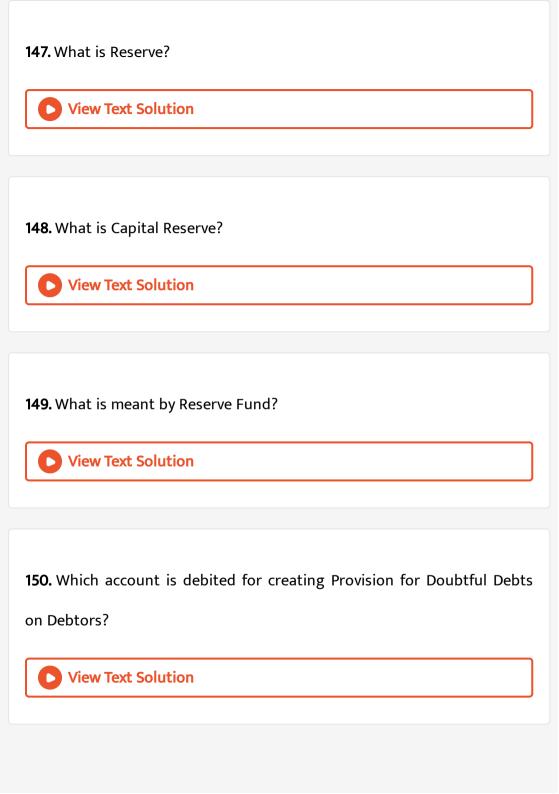
141. Mohan's Account was debited by ₹ 1,500 instead of ₹ 15,000. Identify the type of error

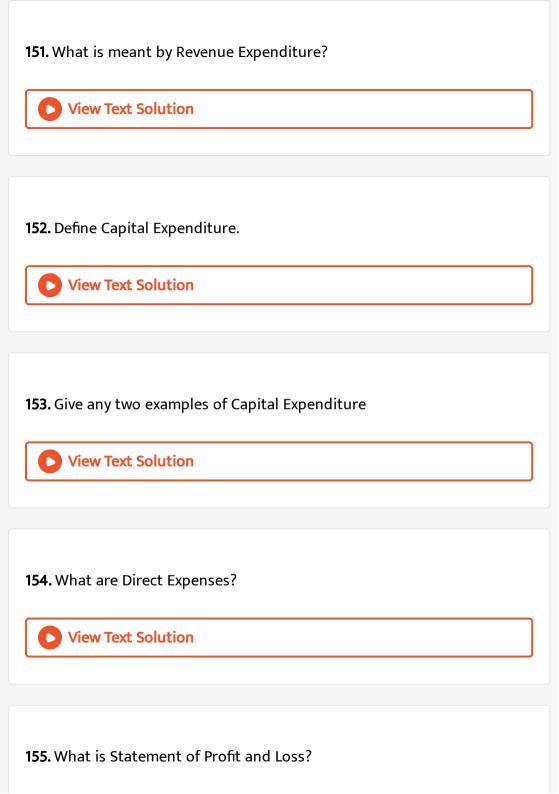


142. Wages paid to a worker for making additions to machinery amounting to Wages Account. Identify the type of error.

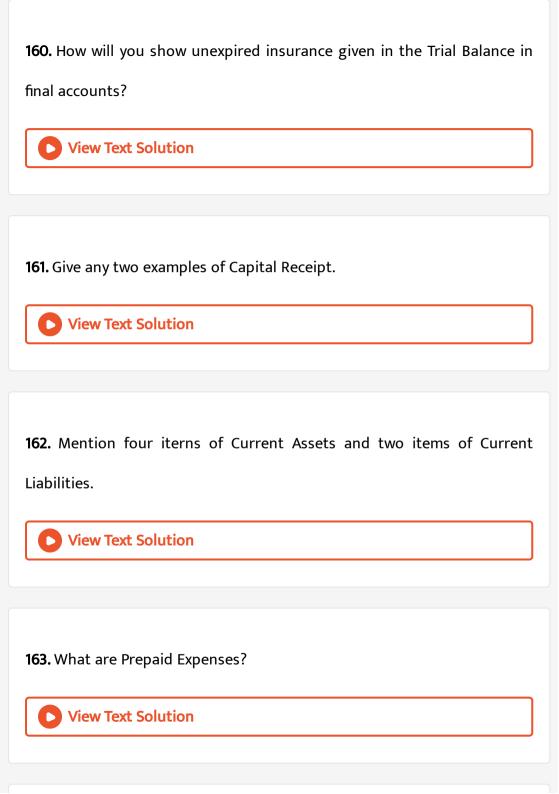


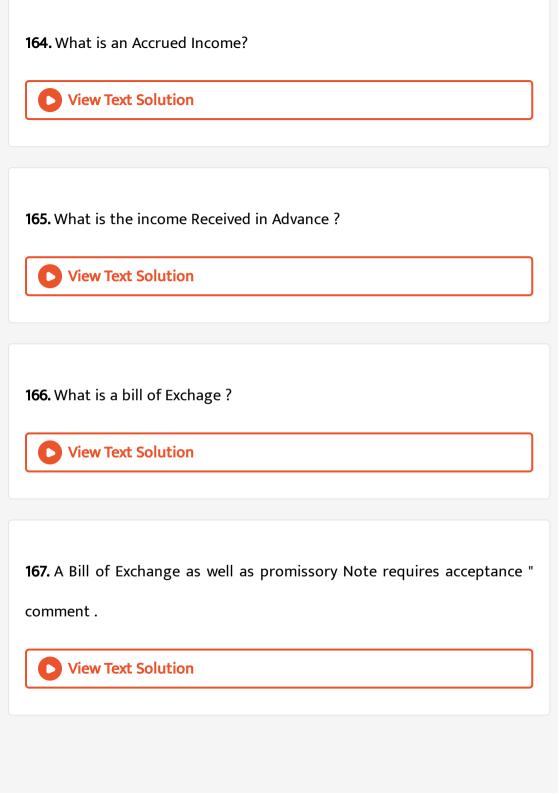






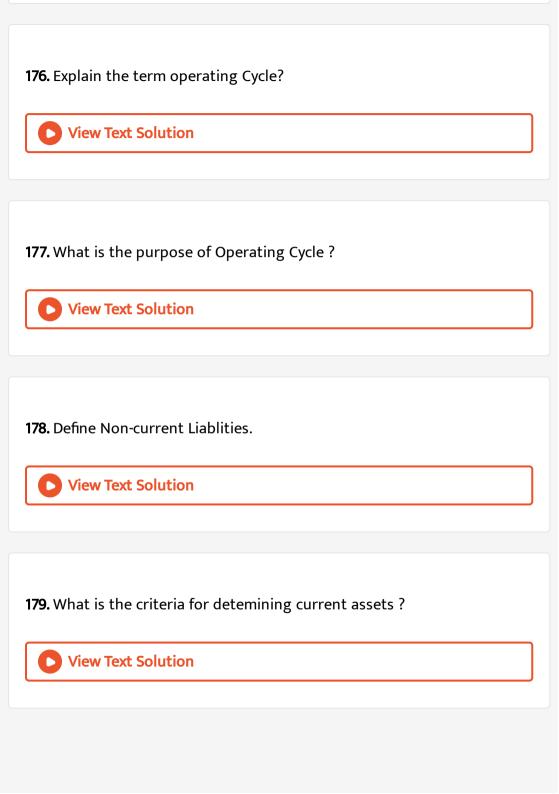
View Text Solution
156. What is Net Profit?
View Text Solution
157. What is Balance Sheet?
View Text Solution
158. Why Is Closing Stock valued at lower of cost or net realisable value?
View Text Solution
159. What is adjusted purchases?
View Text Solution





168. A Bill of Exchange cannot be sent to bank for collection. It can be discounted only. Do you agree? Give reasons **View Text Solution** 169. Can a Trial Balance be prepared to check the arithmetical accuracy of the books of account under Single Entry System? **View Text Solution** 170. What is a Not-For-Profit Organisation? Give two examples. **View Text Solution** 171. What are the financial statements prepared in the final accounts of Not-For-Profit Organisations?

View Text Solution
172. What is a Receipts and Payments Account?
View Text Solution
173. What is Income and Expenditure Account?
View Text Solution
174. Give any one similarity between Receipts and Payments Account and
Income and Expenditure Account.
'
View Text Solution
175. Define Trade Payables as per Schedule II of the Companies Act, 2013.
,
View Text Solution



180. What is the criteria for determing Current Liability?



View Text Solution