

ASSIGNMENT -1

ACCOUNTANCY (XII)

- (i) Which of the following is a tool of 'Analysis of Financial Statements' ? /
- (a) Statement of Profit and Loss (b) Balance Sheet
(c) Ratio Analysis (d) Both (a) and (b)

OR

- (ii) If the Operating Ratio of Pathway Ltd. is 30%, its Operating Profit Ratio will be : /
- (a) 100% (b) 30%
(c) 130% (d) 70%

- (i) Which of the following is *not* a Solvency Ratio ? /
- (a) Interest Coverage Ratio
(b) Return on Investment
(c) Debt to Capital Employed Ratio
(d) Total Assets to Debt Ratio

OR

- (ii) Which of the following are known as Efficiency Ratios ? /
- (a) Liquidity Ratios
(b) Solvency Ratios
(c) Activity Ratios
(d) Profitability Ratios

Which of the following transaction does *not* result in 'Inflow or outflow of cash and cash Equivalents' ? /

- (a) Collection of cash from trade receivables
(b) Payment to trade payables
(c) Cash received on maturity of marketable securities
(d) Payment to employees

Which of the following is *not* included in 'Cash and Cash Equivalents' ? /

- (a) Demand deposits with banks
(b) Short-term marketable securities
(c) Cheques in hand
(d) Trade receivables

Classify the following items under major heads and sub-heads (if any) in the Balance Sheet of a company as per Schedule III, Part I of the Companies Act, 2013 :

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- (a) Computer Software
- (b) Work-in-Progress
- (c) Calls in Advance

'These ratios are calculated to determine the ability of the business to service its debt in the long run.' Identify and state the significance of three such ratios.

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- (a) (i) From the following information, calculate Operating Ratio :

	₹
Revenue from Operations	: 10,00,000
Cost of Revenue from Operations	: 4,00,000
Selling expenses	: 80,000
Administrative expenses	: 1,20,000

- (ii) From the following details, calculate Interest Coverage Ratio :

Net Profit before Tax	: ₹ 2,00,000
10% Long term debt	: ₹ 5,00,000
Tax rate	40%

2+2=4

OR

- (b) The Current Ratio of Zenith Ltd. is 2 : 1. State giving reasons, which of the following transactions will improve, reduce or not change the current ratio :

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- (i) Payment to creditors ₹ 20,000
- (ii) Purchased goods on credit ₹ 80,000
- (iii) Cash received from debtors ₹ 15,000
- (iv) Issue of equity shares ₹ 5,00,000

From the figures given in the Balance Sheet and additional information, calculate 'Cash Flows from Investing Activities' and 'Cash Flows from Financing Activities'.

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Balance Sheet of SHOBHA Ltd. as at 31st March, 2022

Particulars	Note No.	31.3.2022 ₹	31.3.2021 ₹
I – Equity and Liabilities :			
1. Shareholders' Funds			
(a) Equity Share Capital		8,00,000	6,00,000
(b) Reserves and Surplus	1	2,00,000	50,000
2. Non-Current Liabilities			
Long-term Borrowings	2	4,00,000	3,00,000
3. Current Liabilities			
(a) Trade Payables		40,000	45,000
(b) Bank Overdraft		1,00,000	85,000
(c) Short-term Provisions	3	30,000	20,000
Total		15,70,000	11,00,000
II – Assets :			
1. Non-Current Assets			
Fixed Assets			
(i) Tangible Assets	4	6,00,000	5,00,000
(ii) Intangible Assets	5		50,000
2. Current Assets			
(a) Inventories		5,00,000	4,00,000
(b) Trade Receivables		4,00,000	90,000
(c) Cash and Cash Equivalents		70,000	60,000
Total		15,70,000	11,00,000

Notes to Accounts :

Note No.	Particulars	31.3.2022 ₹	31.3.2021 ₹
1	Reserve and Surplus Surplus i.e. Balance in Statement of Profit and Loss	2,00,000	50,000
		<u>2,00,000</u>	<u>50,000</u>
2	Long-term Borrowings 10% Debentures	4,00,000	3,00,000
		<u>4,00,000</u>	<u>3,00,000</u>
3	Short-term Provisions Provision for tax	30,000	20,000
		<u>30,000</u>	<u>20,000</u>
4	Tangible Assets Machinery	7,00,000	6,50,000
	Less : Accumulated Depreciation	(1,00,000)	(1,50,000)
		<u>6,00,000</u>	<u>5,00,000</u>
5	Intangible Assets Goodwill	-	50,000

Additional Information :

- A piece of machinery costing ₹ 1,60,000 was sold at a loss of ₹ 20,000. Depreciation charged during the year amounted to ₹ 40,000.
- ₹ 1,00,000, 10% debentures were issued on 31.3.2022.