



# INDIAN SCHOOL AL WADI AL KABIR

<b>Class: XII</b>	<b>Department: Commerce</b>
<b>Worksheet No: 2</b>	<b>Topic: Ratio Analysis</b>

## TURNOVER RATIOS

1. From the following information, calculate stock turnover ratio :  
Opening Stock Rs. 18,000 Wages Rs. 14,000, Closing Stock Rs. 22,000 Sales Rs. 80,000  
Purchases Rs. 46,000 Carriage Inwards Rs. 4,000
2. From the following information, calculate stock turnover ratio. Sales: Rs. 4,00,000, Average Stock: Rs. 55,000, Gross Loss Ratio: 10%
3. A trader carries an average stock of Rs. 40,000. His stock turnover is 8 times. If he sells goods at profit of 20% on sales. Find out the profit.
4. Opening Inventory Rs. 29,000, Closing Inventory Rs. 31,000, Revenue from operations Rs. 3,00,000, Gross Profit 25% on Cost. Calculate Inventory Turnover Ratio.
5. Opening Inventory Rs. 19,000, Purchases Rs. 1,52,000, Revenue from operations Rs. 2,00,000, Gross Profit 25% on Revenue from operations. Calculate Inventory Turnover Ratio.
6. Cash Revenue from operations 20% of Total Revenue from Operations, Credit Revenue from Operations Rs. 9,00,000, Gross Profit 25% on Cost, Closing Inventory Rs. 2,25,000, Opening Inventory Rs. 75,000. Calculate Inventory Turnover Ratio
7. Revenue from Operations Rs. 2,00,000, Gross Profit: 25% on Cost, Opening Inventory was 1/3<sup>rd</sup> of the value of Closing Inventory. Closing Inventory was 30% of Revenue from Operations. Calculate the Inventory Turnover Ratio.
8. Calculate current ratio of a company from the following information:  
Stock turnover ratio = 4 times  
Stock at the end is Rs. 20,000 more than the stock in the beginning.  
Sales Rs. 3,00,000 and gross profit ratio is 20% of sales.  
Current liabilities = Rs. 40,000 Quick ratio = 0.75
9. Calculate the trade receivables turnover ratio from the following information:  
Total RFO= Rs. 4,00,000  
Cash RFO = 20% of total RFO  
Debtors on 1.1.2019 = Rs. 40,000  
Debtors on 31.12.2019 = Rs. 1,20,000
10. From the following calculate Trade Receivables Turnover Ratio:  
Total Revenue from Operations for the year - Rs. 8,40,000  
Cash Revenue from Operations – 40% of Credit Revenue from Operations.

Closing Trade Receivable – Rs. 2,00,000

Excess of Closing Trade Receivables over Opening Trade Receivables Rs. 80,000

11. Calculate Trade payables Turnover Ratio from the following information: Opening Creditors ` 1,25,000; Opening Bills Payable ` 10,000; Closing Creditors ` 90,000; Closing bills Payable ` 5,000; Purchases ` 9,50,000; Cash Purchases ` 1,00,000; Purchases Return ` 45,000.

12. From the following information, calculate Opening and Closing trade payable: Cash purchases 25% of total Purchases, Revenue from operation `3,00,000, Gross profit 25% on revenue from Operations, Opening Inventory ` 75,00,000, Closing Inventory `150,000, Trade Payables turnover Ratio 3 times, Closing Trade Payables were `75,000 in excess of opening trade payables

13. From the following information, calculate –

(i) Debtors Turnover Ratio

(ii) Payable Turnover Ratio

RFO Rs. 8,75,000

Creditors Rs. 90,000

Bills Receivable Rs. 48,000

Bills Payable Rs. 52,000

Purchases Rs. 4,20,000

Debtors Rs. 59,000

14. Equity Share Capital ` 15,00,000; Gross Profit on Revenue from Operations is 331/3%; Cost Revenue from Operations or Cost of Goods Sold ` 20,00,000; Current Assets ` 10,00,000; Current Liabilities ` 2,50,000. Calculate Working Capital Turnover Ratio.

15. Capital Employed ` 12,00,000; Net Fixed Assets 8,00,000; Cost of Goods Sold or Cost of Revenue from Operations ` 40,00,000; Gross Profit is 20% on Cost. Calculate Working Capital Turnover Ratio.

16. From the following calculate Working Capital Turnover Ratio:

Revenue from operations Rs.12,00,000, Current Assets Rs. 5,00,000, Total Assets Rs. 8,00,000

Non-current liabilities Rs. 4,00,000 and Shareholder's Funds Rs. 2,00,000.

17. Capital Employed ` 12,00,000; Net Fixed Assets 8,00,000; Cost of Goods Sold or Cost of Revenue from Operations ` 40,00,000; Gross Profit is 20% on Cost. Calculate Fixed Assets turnover ratio.

18. From the following calculate Fixed Assets Turnover Ratio:

Revenue from operations Rs.12,00,000, Current Assets Rs. 5,00,000, Total Assets Rs. 8,00,000

19. Net Fixed Assets 8,00,000; Current assets 4,00,000, current liabilities 2,00,000. Cost of Goods Sold or Cost of Revenue from Operations ` 40,00,000; Gross Profit is 20% on Cost.

Calculate Net Assets turnover ratio.

20. 15% Long Term Debt Rs. 4,00,000, Shareholder's funds Rs. 2,00,000, Cost of revenue from operations is Rs. 36,00,000. Gross profit ratio is 25%. Calculate Net assets turnover ratio.

## PROFITABILITY RATIOS

21. Calculate the gross profit ratio:

Opening inventory 40,000, Purchases 1,20,000 Returns inward 30,000 Returns outward 20,000, Wages & salaries 60,000 Freight outward 10,000, Closing inventory 40,000, Cash RFO 1,00,000 Credit RFO 3,30,000.

22. Calculate Gross Profit Ratio from the following data:

Cash Sales are 20% of Total Sales; Credit Sales are ₹5,00,000; Purchases are ₹4,00,000; Excess of Closing Inventory over Opening Inventory ₹25,000.

23. A trader carries an average Inventory of one ₹1,00,000. His Inventory turnover Ratio is 8 times; He Sells goods at a profit of 25% of cost. Calculate Gross Profit Ratio

24. Cost of Revenue from Operations is Rs. 1,50,000. Operating expenses are Rs. 60,000. Sales is Rs. 2,60,000 and Sales Return is Rs. 10,000. Calculate Operating Ratio.

25. Revenue from Operations Rs. 6,00,000, Gross Profit 25% on Cost, Operating Expenses Rs. 60,000. Calculate Operating Ratio

26. Cost of Revenue from Operations (Cost of Goods Sold) ₹2,20,000; Revenue from Operations ₹3,20,000; Selling Expenses ₹12,000; Office Expenses ₹8,000; Depreciation ₹6,000. Calculate Operating Ratio.

27. Revenue from Operations, Cash Sales ₹4,00,000; Credit Sales ₹1,00,000; Gross Profit ₹1,00,000; Office and Selling Expenses ₹50,000. Calculate Operating Ratio.

28. Calculate Operating Profit Ratio from the Following:

Revenue from Operations (Net Sales)	5,00,000
Cost of Revenue from Operations (Cost of Goods Sold)	2,00,000
Wages	1,00,000
Office and Administrative Expenses	50,000
Interest on Borrowings	5,000

29. Revenue from Operations Rs. 6,00,00, Operating Cost Rs. 5,10,000, Cost of Revenue from Operations Rs. 4,00,000. Calculate Operating Profit Ratio.

30. Revenue from Operations Rs. 9,00,000, Gross Profit Ratio 25% on Cost, Operating Expenses Rs. 45,000. Calculate Operating Profit Ratio.

31. What will be the Operating Profit Ratio, if Operating Ratio is 83.64%?

32. Given the following information:

	Rs.
Sales	3,40,000
Cost of Goods Sold	1,20,000
Selling expenses	80,000
Administrative Expenses	40,000

Calculate Gross Profit Ratio and Operating Ratio.

33. Revenue from Operations, *i.e.*, Net Sales ` 8,20,000; Return ` 10,000; Cost of Revenue from Operations (Cost of Goods Sold) ` 5,20,000; Operating Expenses ` 2,09,000; Interest on Debentures ` 40,500; Gain (Profit) on Sale of a Fixed Asset ` 81,000. Calculate Net Profit Ratio.

34. Given the following information calculate all profitability ratios:

RFO 3,40,000, Cost of Goods Sold 1,20,000, Selling expenses 80,000, Administrative Expenses 40,000, Interest on debentures 20,000, Gain on sale of asset 10,000, Trading commission received 25,000.

35. Net profit after Interest but before Tax Rs. 1,40,000, 15% Long Term Debt Rs. 4,00,000, Shareholder's funds Rs. 2,40,000, Tax Rate: 50%. Calculate Return on Capital Employed & ICR

36. From the following information related to Naveen Ltd., Calculate (a) Return on Investment and (b) Total Assets to Debt Ratio

Information: Fixed Assets Rs. 75,00,000, Current Assets Rs. 40,00,000, Current Liabilities Rs. 27,00,000, 12% Debentures Rs. 80,00,000 and Net Profit before Interest, Tax and Dividend Rs. 14,50,000

37. From the following information calculate Return on Investment & ICR

Net profit after interest and tax Rs. 8,00,000, 10% debentures Rs. 9,00,000, Tax @ 50%, Capital Employed Rs. 2,00,00,000

38. Y Ltd.'s profit after interest and tax was ` 1,00,000. Its Current Assets were ` 4,00,000; Current Liabilities ` 2,00,000; Fixed Assets ` 6,00,000 and 10% Long-term Debt ` 4,00,000. The rate of tax was 20%. Calculate 'Return on Investment' of Y Ltd.

39. Determine Return on Investment and Net Assets Turnover ratio from the following information:-

Profits after Tax were ₹ 6,00,000; Tax rate was 40%; 15% Debentures were of ₹20,00,000; 10% Bank Loan was ₹ 20,00,000; 12% Preference Share Capital ₹ 30,00,000; Equity Share Capital ₹ 40,00,000 ; Reserves and Surplus were ₹ 10,00,000; Sales ₹ 3,75,00,000 and Sales Return ₹15,00,000.

40. These ratios are calculated for measuring the efficiency of operations of business based on effective utilisation of resources.

(a) Identify the types of ratios being discussed above.

(b) Explain any two ratios of the types of ratios identified in (a) above.