CSS - 2002

The following data apply to A.L. Kaiser & Company (millions of dollars)

Cash and marketable securities \$100.00

Fixed assets \$283.50

Sales \$1000.00

Net income \$50.00

Quick ratio 2.0 X

Current ratio 3.0 X

Average collection period 40 days

Return on equity 12%

Kaiser has no preferred stock – only common stock equity, current liabilities and long term debt. Required:

Find Kaiser's

1. Account receivable (A/R)

Current liabilities

3. Current assets

Total assets

5. Return on assets (ROA) 6. Common stock equity 7. Long term debt

CSS - 2006

- Q.5 General Electric Company has annual sales (all on credit) of \$ 1.6 million. Their average collection period is 40 days and they typically have an inventory turnover of 8. Their gross profit margin is 20 percent. Assume, for ease of collection, a 360 day year:
- , (a) Calculate the company's accounts receivable.
 - (b) Calculate the amount in inventory. (10+10)

CSS - 2003

- (b) Assuming that current ratio is 2. State in each of the following cases, whether the ratio will improve, or decline, or have no change:
- (i) Payment of current liabilities
- (ii) Purchase of fixed assets
- (iii) Cash collected from customers
- (iv) Issue of new shares
- (c) A corporation has total assets of Rs. 500,000 and its equity is Rs. 200,000. what is the Company's debt-to-total asset ratio?

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CSS -2004

(a) Why might it be possible for a company to make large operating profits, yet still be unable to meet debt payments when due? What financial Ratios might be employed to detect such a situation?

CSS- 2005

6. Royal corporation current assets inventories and current liabilities for four year period are as follows:

Item	2000	2001	2002	2003
Current assets	Rs. 20,000	Rs. 22,400	Rs. 25,600	Rs. 28,100
Inventories	Rs. 8,200	Rs. 10,000	Rs. 12,500	Rs. 14,000
Current liabilities	Rs. 10,000	Rs. 10,200	Rs. 10,700	Rs. 11,000

- a. Calculate the firm's current and quick ratios for each year. (10)
- b. Discuss the firm's liquidity position over the four year period of time. (10)

CSS-2015 (A & A)

Acne Plumbing Company's balance sheet of year 2011:

(20)

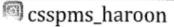
Assets	Rs.	Liabilities	Rs.
Cash	30,000	Accounts payable	230,000
Accounts receivable	200,000	Accruals	200,000
Inventory	400,000	Bank loan	100,000
Net fixed assets	800,000	Long term debt	300,000
1	1 789	Common stock	100,000
A / 1	1999 A	Retained earning	500,000
Total assets	1,430,000	Liabilities and stock holders equity	1,430,000

Further information: Sales were Rs. 4,000,000/-, Cost of Goods sold were Rs. 3,200,000/-Net Profit was Rs. 300,000/-

Required: Compute the following ratios:

- Current ratio,
 Acid test ratio,
 Average collection period,
- Inventory turnover,Total debt/equity,
- 6. Long term debt/Gross profit margin,7. Net profit margin,
- Total assets turnover,Return on assets.

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CSS - 2007 (A & A)

Question.2. Following information is developed from the accounting records of Sana Chemicals Limited:

- (1) Current Ratio = 2.5
- (2) Liquid Ratio = 1.5
- (3) Proprietary Ratio = 0.75 (equity / fixed asset)
- (4) Working Capital = Rs.150,000
- (5) Reserves and Surplus = Rs.100,000
- (6) Bank Overdraft (Current Liability) = Rs. 25,000

Required: Find out Current Assets, Current Liabilities, Stock, Liquid Assets and Fixed Assets.

CSS - 2009 (A & A)

Question No.3. Complete the 2007 balance sheet for Premier Industries using the information that follows it.

Premier Industries

Balance Sheet at December 31, 2007

Cash	30,000	Accounts Payable	120,000
Marketable securities	25,000	Notes Payable	
Accounts receivable	- 64 444	Accruals	20,000
Inventories		Long-term debt	
Net fixed assets	-30 / 301/	Stockholders' equity	600,000

The following financial data for 2007 are also available:

- 1) Sales totaled Rs. 1,800,000
- 2) The gross profit margin was 25 percent
- 3) Inventory turnover was 6.0.
- 4) There are 360 days in the year.
- 5) The average collection period was 40 days.
- 6) The current ratio was 1.60.
- 7) The total asset turnover ratio was 1.20
- 8) The debt ratio was 60 percent.

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CSS-2012 (A & A)

Q. 8. (A) You have the following information on BB Corp.:

Current ratio 2.0

Quick ratio 1.4

Current liabilities Rs. 100,000

Inventory turnover

6 x

Gross profit margin 0.20

Given these figures, calculate the firm's sales.

(09)

CSS-2016 (A & A)

Rabika Limited has the following balance sheet and income statement for 2015 (in thousands rupees)

	Bala	nce sheet	
Cash	Rs. 400	Accounts payable	Rs. 320
Accounts receivable	1,300	Accruals	260
Inventories	2,100	Short-term loans	1,100
Current assets	3,800	Current liabilities	1,680
Net fixed assets	3,320	Long-term debt	2,000
	ALTERNAL THE	Shareholders' equity	3,440
Total assets	7,120	Total liabilities & Equity	7,120
, (Pa)	Incon	ne Statement	
Net sales (all credit)	10000000	Rs. 12,680	
Cost of goods sold*	la s	8,930*	
Gross profit	7	Rs. 3,750	
Selling, general, and admir	expenses	2,230	
Interest expense		460	
Profit before taxes		Rs. 1,060	
Taxes		390	
Profit after taxes	s	Rs. 670	

* Includes depreciation of Rs. 480

On the basis of this information, compute the following:

Current ratio

Acid test ratio

Average collection period

Inventory turnover ratio

Debt to net worth ratio

Gross profit margin

Net profit margin

Rate of return on common stock equity

517}

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Page 4 of 11

CSS-2014 (A & A)

Q3: The following is the balance sheet of Shine Company as on December 31, 2013

Liabilities	Rs.	A	Rs.	
Equity share capital	120000	Fixed assets	360000	
Reserves and surplus	80000	Less depreciation	100000	260000
6% mortgage debentures	140000	Current assets:	1	少年的500
Current liabilities:		Cash	The state of the s	10000
Creditors	12000	Investment		30000
Bills payables	20000	Stock	1 1	60000
Outstanding expenses	2000	Sundry debtors	1 1 100 /	40000
Taxation provision	26000	ARRAM	. A military	
, ,	400000			400000

Other information: Net sales Rs.600,000; cost of goods sold Rs.516,000; net income before tax 40,000, net income after tax 20,000

Required: Calculate current ratio; acid test ratio; debt equity ratio; gross profit ratio and operating ratio.

CSS-2013 (A & A)

Q.3. The following results of a company are available:

(20)

Current Ratio	6:1
Quick Ratio	0.50:1
Debt Equity Ratio	90:10
Collection index	136 days
Time Interest Earned	08:1

Required:-

Offer your comments on each of the above regarding their adequacy or otherwise.

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CSS-2012 (A & A)

You have the following information on BB Corp.: Q. 8. (A)

Current ratio	2.0	
Quick ratio	1.4	
Current liabilities	Rs.	00,000
Inventory turnover	6 x	
Gross profit margin	0.20	

Given these figures, calculate the firm's sales.

B) Following are the selected data taken from Books of A Ltd at the end of year 2005:

Cash	Rs. 108,000
Account Receivable beg	380,000
Account Receivable end	350,000
Marketable Securities	142,000
Merchandise Inventory beg	120,000
Merchandise Inventory end	150,000
Accounts Payable	200,000
Bills Payable	50,000
Credit Sales (Net)	18,25,000
Cost of Goods Sold	540,000
Total Operating Expenses	600,000

REQUIRED: On the basis of above information, find out:

1	. Working Capital	2.	Current Ratio	3.	Quick Ratio	4.	Inventory Turnover
5	. Account Receivable	6.	Gross Profit	7.	Net Profit	8.	Operating Expenses
	Turnover		Percentage		Percentage		Rate

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CSS-2016 (B.ad)

Q No.5. The following data relates to Bright Star Company (millions of Rs.)

Cash & equivalents	Rs. 100.00
Fixed Assets	283.50
Sales	1000.00
Net Income	50.00
Current Liabilities	105.50
Current Ratio	3.00
Days Sales Outstanding (DSO)	40.55 Days
Return on Equity	12.00%

The company has no Preferred stocks- only Common Equity, Current Liabilities, Long Term Debt.

Find the company's

(i) Accounts Receivable

(ii) Current Assets

(iii)Total Assets

(iv) Return on Total Assets

(v)Common Equity

(vi) Quick Ratio (vii) Long Term Debt

CSS- 2008 (B.ad)

How do liquidity and leverage ratios help the management in taking financial decisions? assume some data to explain the roles of these ratios in financial decision Making.

CSS - 2009 (B.ad)

What is ratio analysis? List four ratios and explain what they are used for? Discuss various benefits and drawbacks of ratio analysis? (5+5+10)

CSS 2012 (B.ad)

How the Financial Statements are analyzed and interpreted through ratio analysis. (20)

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Q. The financial statements of Remington Pharmaceuticals for the year ended December31, 2012, follow:

Remington Pharmaceuticals	Income Statementfor the Year Ended	December 31,2012
Sales revenue	\$ 160000	
Less: Cost of goods sold	106000	
Gross profits	§ 54000	
Less Operating expenses		
Selling expense	\$ 16000	Ebs.
General and adminis	trative expenses 10000	The state of the s
Lease expense	1000	1
Depreciation expense		1
Total opera	ating expense \$ 37000	A STATE OF THE PARTY OF THE PAR
Operating profits	\$ 17000	
Less: Interest expense	6100	
Net profits before tax	kes \$ 10900	A % 1
Less: Taxes	4360	
Net Profits after taxe	s \$ 6540	A STANSON.
	A2900909	8755115 (Clayer " 198.

Remington Pharmaceuticals Balance Sheet December 31, 2012

Assets		7	
Cash	\$ 500	,	
Marketable Securities	1000		
Accounts receivable	25000		
Inventories	45500		
Total Current Assets	\$ 72000		
Land	\$ 26000		
Building and equipment	\$ 90000		
Less: Accumulative depreciation	\$ 38000		
Net fixed Assets	\$ 78000		
Total Assets	<u>\$ 150000</u>		1
Liabilities and Stockholder's Equity		р. и	maruet
Accounts payable	\$ 22000	Value	Dulan
Notes payable	47000	15.000	4400
Total Current Liabilities	\$ 69000	Vacco	Service Servic
Long term debt	22950	7	
Common stock equity	\$ 31500	8/6	
Retained earnings	26550		
Total Liabilities and Stockholders Equity	\$ 150000		
. E.F			

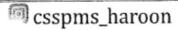
The firm's 3000 outstanding shares of common stock closed 2012 at a price of \$ 25 per share.

Use the preceding financial statements to complete the following table. Assume the industry averagegiven in the table are applicable for both 2011 and 2012.

	Industry mornes	Actual 2011	Actual 2012
Ratio	Industry average		ricitial 2012
Current ratio	1.80	1.84	****
Quick ratio	0.70	0.78	
Inventory turnover*	2.50	2.59	
Average collection period*	37.5 days	36.5 days	
Debt ratio	65%	67%	
Times interest earned ratio	3.8	4.0	
Gross profit margin	38%	40%	****
Net profit margin	3.5%	3.6%	
Return on total assets	4.0%	4.0%	
Return on common equity	9.5%	8.0%	
Market/Book ratio	1.1	1.2	****

^{*} Bases on a 365 days year and on end of year figures.

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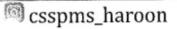
CSS - 2017

Income Statement	
Sales	Rs.500,000
Cost of Goods sold	300,000
Operating Expense	60,000
Interest Expense	10,000
Income tax expense	40,000
Net income	90,000
Balance Sheet	
Assets	
Cash	Rs.10,000
Account Receivable	15,000
Inventory	20,000
Equipment	455,000
Total	500,000
Liabilities	
Account Payable	12,000
Long-term notes payable	48,000
Shareholder equity	
Capital Stock	300,000
Retained earning	140,000
Total /	500,000

Find and interpret the company's

- 1. Current ratio
- 2. Quick Ratio
- 3. Average collection Period
- 4. Time interest earned
- 5. Inventory turnover

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CSS - 2018

ABC Industries Balance sheet ending 31,2016

Asset	Rs.	Liabilities and stockholder's equity	Rs.
Cash	32,720	Accounts payable	120,000
Marketable securities	25,000	Notes Payable	4
Account receivable		Accruals	20,000
Inventory		Total current liabilities	
Total Current Asset		Long term debt	4155537
Net fixed Asset		Stockholder's equity	,600,000
Total Assets		Total Liabilities and stockholder's equity	

The following financial data for 2016 is also available

- (a) Sales totaled 1,800,000
- (b) The Gross profit margin was 25%
- (c) Inventory turnover was 6.0
- (d) There are 365 days in the year.
- (e) The average collection period was 40 days
- (f) The current ratio was 1.60
- (g) The total asset turnover ratio was 1.20
- (h) The debt ratio was 60%

Complete the 2016 balance sheet for ABC Industries using the given information

CSS - 2019

Q.No. 6.

An international manufacturing concern has provided the income statement data. Give formulas to calculate the following ratios. Also explain how to interpret them? (20)

- (i) Current ratio
- (ii) Quick ratio
- (iii) Average collection period
- (iv) Time interest earned
- (v) Inventory turnover

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CSS - 2020

Q.No. 6. Explain the following Analytical tools of Financial management (05 marks each)

- (a) Time series Analysis versus Cross sectional Analysis
- (b) Horizontal Analysis versus Vertical Analysis
- (c) Liquidity ratios versus Debt ratios
- (d) Turnover ratios versus Profitability Ratios

CSS - 2021

Q.No.3. An international manufacturing concern has provided the income statement data. Give formulas to calculate the following ratios. Also explain how to interpret them? (20)

- (i) Current ratio
- (ii) Quick ratio
- (iii) Average collection period
- (iv) Time interest earned
- (v) Inventory turnover

CSS - 2022

How Ratio Analysis is a useful management tool to improve understanding of financial health for different stake holders including creditors, investors, management? (20)

	Bussiness Administration
-	Topic: Ratio Analysis
	Faiza Selcern
	Batch Rwp-0839
	CSS 2002
-	Given duta:
-	Cash and Marketable Securities = \$1000 \$100
-	Fried assets = \$283.50
	Sales: \$1000,00
	Net income : \$50.00
	Quick Ratio : 2.0 X
	current Ratio = 3.0x
	Average collection pariod = 40 Day
	Return on equity = 120/0
	1. Account Receivable (AIR)
	Occavat Decembe in days = 365
	Account Receivable in days = 365 AR turnovel
	AR in days = 365
	AR in days = 365 (Sales/AR)
	4 365 AR
	40 = 365. AR SJes 40 = 365 4(AR)/100)
	AR = (1000 × 40) /365

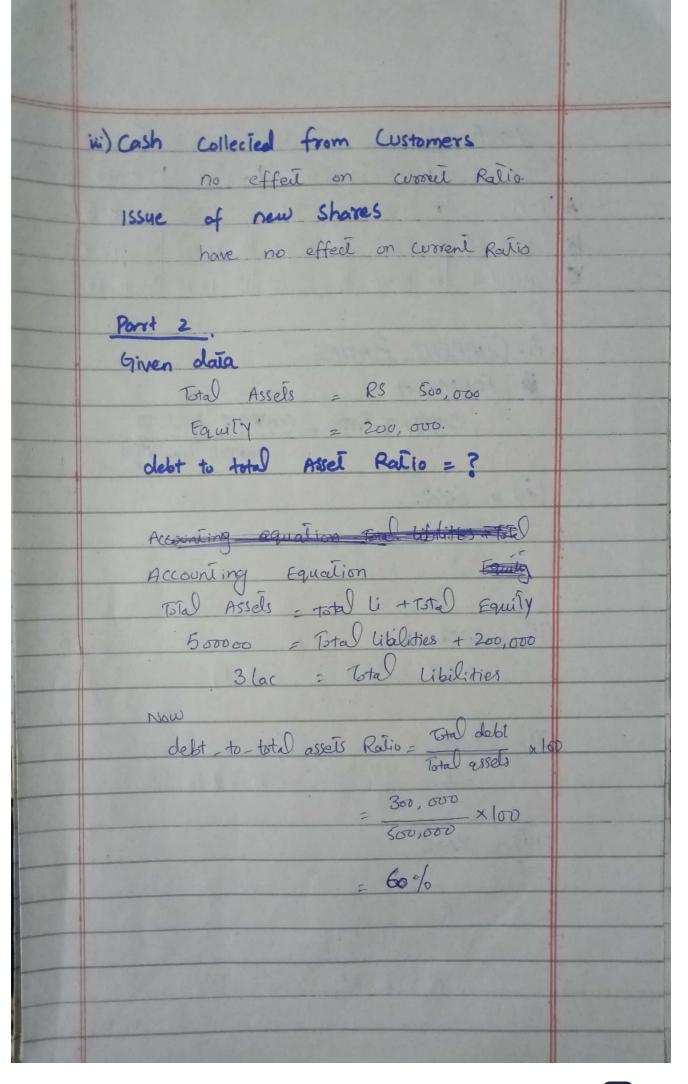
Current liabilities: current Ratio : Current ossets/c:L current liabilities Curent Msels: \$ 100.00 Total prices: Non fixed Ass + fried Ass :\$283 50 +\$100.00 = \$383.50 Return on assets (ROA) ROA = Nei income Total Assets 50\$ 383.5\$ Common Stock equity. Rewom on Equity = Net income Equity. 12% = 50\$ Equity Equity = 50\$

Equity = 12 4.16\$

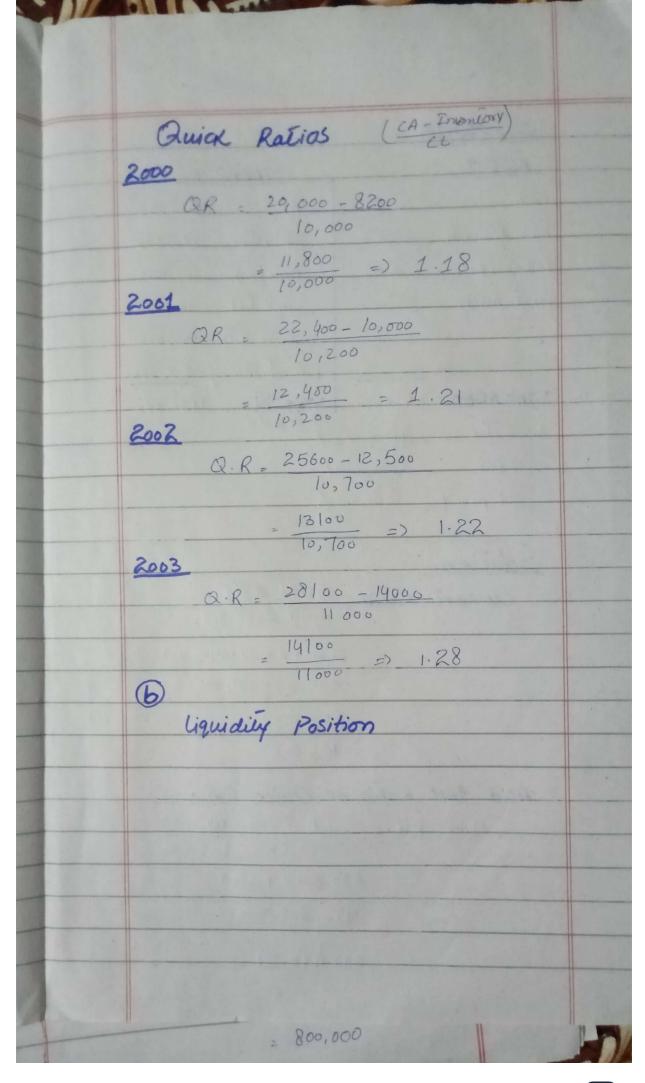
Long John debl. Dis Zero. CSS - 2006 Data Given: Crodit Sale = 1.6\$ Gross profit Morgin = 20 %

Days = 40 Inventory Turnover = 8 Year Days = 360 a) Accounts Recievable:-AR in days = 360 (AR/sales) (sales/AR) 40 = 360 (AR/Sales) 40 = 360 (AR / 16 600000) 40 x 16000000 = AR AR = 177,777.6

b) Amount in Inventory (95 Inventory Turnover = Inventory GPMR = GP Sales 20% : 4000000 GP = \$3200000. Sales - CGS = GP \$ 16000000 - CGS = \$320000 CGS = \$ 1280000 NOW [CGS : Inventory Furnover Inventory = CGS
I. Turnover Inventory = 1280000/8 Inventory = \$ 160000 CSS 2003 Payment of C.L The C.R will decrease CRX () Purchase of fixed Assets No effect on current Ratio



2005 - CS Tiem 2000 2001 2002 2003	
RS 20,000 RS 22400 RS 25,600 RS 28,100	
\$ Inventories Rs 8200 Rs 10,000 Rs 12,500 Rs 14,000	
1 Current. L RS 10,000 RS 10,200 RS 10,700 RS 11,500	
a. CURRENT RATIOS	
FORMULA CURRENT RATIO - CURRENT ASSETS CURRENT Libities	
CURRENT KATIO CURRENT Liabilities	
(i) = 2000	
CR = 20,000	
CR = 2	
(ii) , 2001	
CR = 22400 = 2.19 10,200	
(iii) = 2002	
CR = .25,600 = 2.39	
(iv): 2003	
CR = 28 100	
CR = 2.55	
2 800,00	



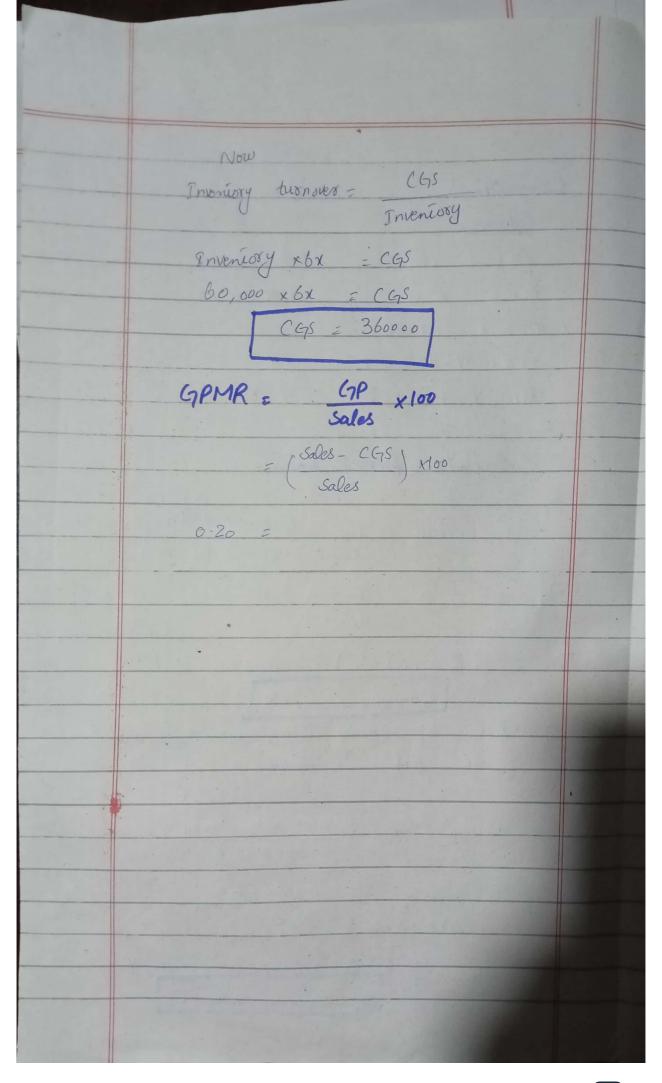
CSS-2015 ASSETS LiaBilites AR 230,000 AR Recievable 200,000 ARCURAIS 200,000 Fixed Assets 800,000 long T.delt 300,000 Common stock 100,000 Retained earning 500,000 Retained earning 500,000 Retained earning 500,000 CGS = 3,200,000 l. Not profit = 300,000/- Solution: CULSEN Ratio or Quick Ratio Quick Ratio . CA - Inventory CL 630,000 - 400,000			
ASSETS LIABIUTES Cash 30,000 AP 230,000 AR Recievable 200,000 Agrarals 200,000 Inventory 400,000 Bank loan 100,000 Fixed Assets 300,000 long T delt 300,000 Common stock 100,000 Retained earning 500,000 Retained earning 500,000 CGS 3,200,000 TOTAT bi 1430,000 CGS 3,200,000 - Not profit 300,000 - Not profit 300,000 - Solution: Current Assets Current Ratio Current Assets 20,000 + 200,000 230,000 146 430,000 Acid test Ratio or Quick Ratio Quick Ratio CA Inventory CL 630,000 400,000 430,000	CSS-	2015	TANKS AND AND STREET
Cash AC. Recievable 200,000 Agrorals 200,000 Inventory 400,000 Exact Assers 800,000 Common stock 100,000 Retained earning 500,000 Retained earning 500,000 Cash 320,000 TOTAT ASSEB. 1,430,000 Retained earning 500,000 TOTAT ASSEB. 1,430,000 TOTAT ASSEB. 1,430,			LIABILITIES
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Fixed Assets 800,000 long T. delt 300,000 Common Stock 100,000 Retained earning 500,000 Retained earning 500,000 TOTAT ASSETS. 1,430,000 TOTAT bi. 1430,000 and Stockholder CGS = 3,200,000/- Not profit = 300,000/- Solution:- Current Ratio - current Assets auxent liabilities 30,000 + 200,000 + 400,000 230,000 + 200,000 630,000 = 1.46 430,000 Acid test Ratio or Quick Ratio Quick Ratio - CA - Inventory CL 630,000 - 400,000			
Common Stock 100,000 Retained earning 500,000 Retained earning 500,000 TOTAT ASSEB. 1,430,000 TOTAT bi. 1430,000 and Stockholder Sales = 40.00,000/- Not profit = 300,000/- Not profit = 300,000/- Current Ratio current Assets august liabilities 30,000 + 200,000 230,000 + 200,000 430,000 Acid test Ratio or Quick Ratio Quick Ratio CA - Inventory CL 630,000 - 400,000 430,000			long T. delt 300,000
Retained Earning 500,000 TOTAT ASSEB. 1,430,000 Sales = 40.00, 2001- CGS = 3,200,0001- Not profit = 300,000/- Solution:- Current Ratio - current Assets went liabilities 30,000 + 200,000 230,000 + 200,000 630,000 = 1.46 430,000 Acid Lest Ratio or Quick Ratio Quick Ratio - CA - Inventory CL 630,000 - 400,000 430,000	FIXED HOSE	13 000,000	common stock 100,000
TOTAT ASSEB. 1,430,000 TOTAT bi. 1430,000 Sales = 40.00, 000/- CGS = 3,200,000/- Not profil = 300,000/- Solution:- Current Ratio - current Assets current liabilities 30,000 + 200,000 + 400,000 230,000 + 200,000 630,000 = 1.46 430,000 Quick Ratio - CA - Inventory CL 630,000 - 400,000			Retained earning 500,000
Cys = 3,200,000/- Net profit = 300,000/- Net profit = 300,000/- Current Ratio : current Assets and lest Ratio or Quick Ratio Quick Ratio : CA - Interview CL 630,000 - 400,000 430,000	ToTAT ASSI	1.430,000	70 TOT bi - 1430,000
CGS = 3,200,000/- Net profit = 300,000/- Solution:- Current Ratio = current Assets aurent liabilities 30,000 + 200,000 230,000 = 1.46 430,000 Acid lest Ratio or Quick Ratio Quick Ratio = CA - Interiory CL 630,000 - 400,000 430,000	Calas	- 4000	and stockholder
Solution:- Current Ratio - current Assets aurent liabilities 30,000 + 200,000 + 400,000 230,000 + 200,000 - 630,000 - 1.46 430,000 Acid lest Ratio or Quick Ratio Quick Ratio - CA - Interiory CL 630,000 - 400,000			Mr.
Solution:- Current Ratio _ current Assets			
Current Ratio : current Assels 20,000 + 200,000 + 400,000 230,000 + 200,000 630,000 = 1.46 430,000 CL 630,000 - 400,000 430,000	Net po	of u = 30070	
Current Ratio : current Assels = 30,000 + 200,000 + 400,000 = 230,000 + 200,000 = 630,000 = 1.46 430,000 CL 630,000 - 400,000 = 630,000 - 400,000	Calvisi		. The second second
30,000 + 200,000 + 400,000 230,000 + 200,000 630,000 = 1.46 430,000 Acid test Ratio or Quick Ratio CA - Inventory CL 630,000 - 400,000	Soluti	T Oction	current Assels
230,000 + 200,000 630,000 = 1.46 430,000 Acid test Ratio or Quick Ratio Quick Ratio = CA - Inventory CL 630,000 - 400,000 430,000	Cur	ent hauto	uneil liabilities
230,000 + 200,000 630,000 = 1.46 430,000 Acid test Ratio or Quick Ratio Quick Ratio = CA - Inventory CL 630,000 - 400,000 430,000			30,000 + 200,000 + 400,000
Acid test Ratio or Quick Ratio Quick Ratio = CA - Intentory CL 630,000 - 400,000		-	230,000+200,000
Acid test Ratio or Quick Ratio Quick Ratio = CA - Intentory CL 630,000 - 400,000			630,000 - 1116
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430,000			0 . 0 -
430,000	Acid	test Ralio	or Cluck Ratio
430,000	Qu	ick Ralio =	CA - Inventory
430,000			
		2 -	30,000 - 400,000
			430,000
= 399,998.54		7	an ag 8.54
2 377, 110.07		2 3	11, 110 0

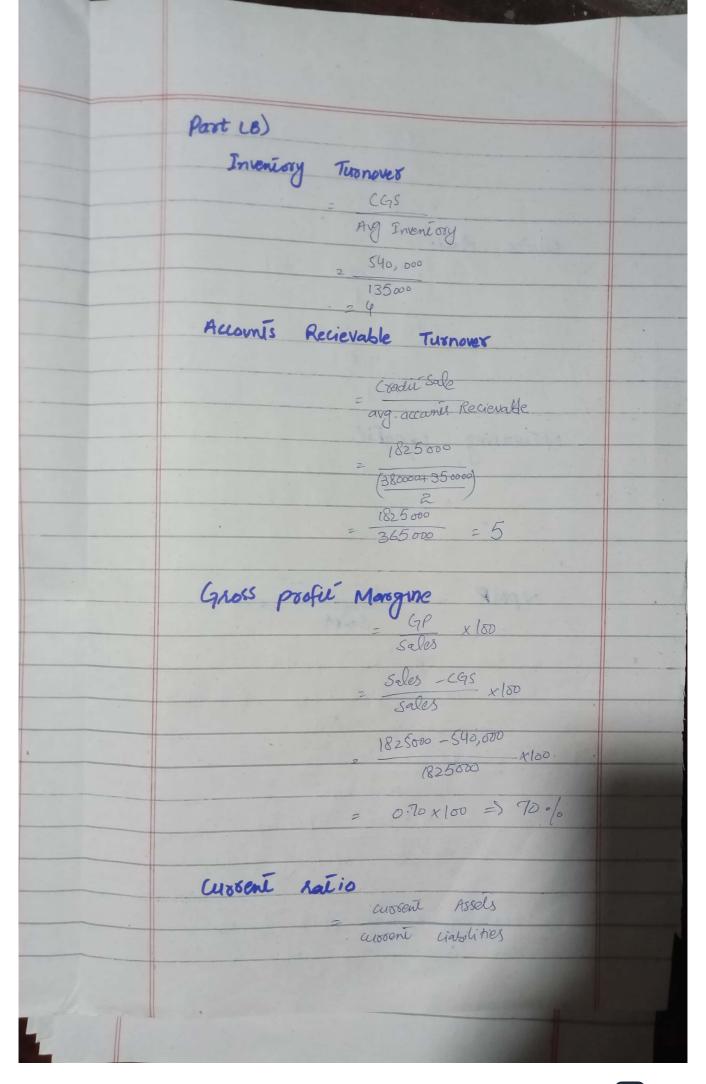
AVERAGE COLLECTION PERIOD:	
ACCOUNTS Recionable x 365 Days Net credit sales	
200,000 y 365	
= 200,000 x 365	
$= 0.05 \times 365 = 18.25$	*
Inventory Turnover:-	
Inventory Turpovel = CGS	
Inventory Inventory	
3,200,000	
3,200,000	9 -
= 8	
TOTAT DEBT / EQUITY :-	
Total debi	
230,000 + 100,000 + 304000	
100,00 + 500,000	
= 830000 - 1.38	
GROSS PROFIT MARGINE/LONG TERM DEBT	
GROSS PROFIL × 100 = GPMR Sales	
Sales	
Now	
Gross Profit = Sales - CGS	
= 4,000,000 _ 3,200,000	
= 800,000	

GP = 800,000	
MOW GPMR = 800,000 K 100	
Net Profit Margini-	
NPMR = Net profit x100 Sales	
= 300,000 x 100	
$= 0.075 \times 100$ $= 7.5$	
Total Assels Turnover	
Net Sales Total Assels	
- 4,000,000 - 1,430,000	
Total Assels Turnover = 2.79	
Return on Assets	
= Net income/profit Total Assets	
1,430,000	
= 0.209	

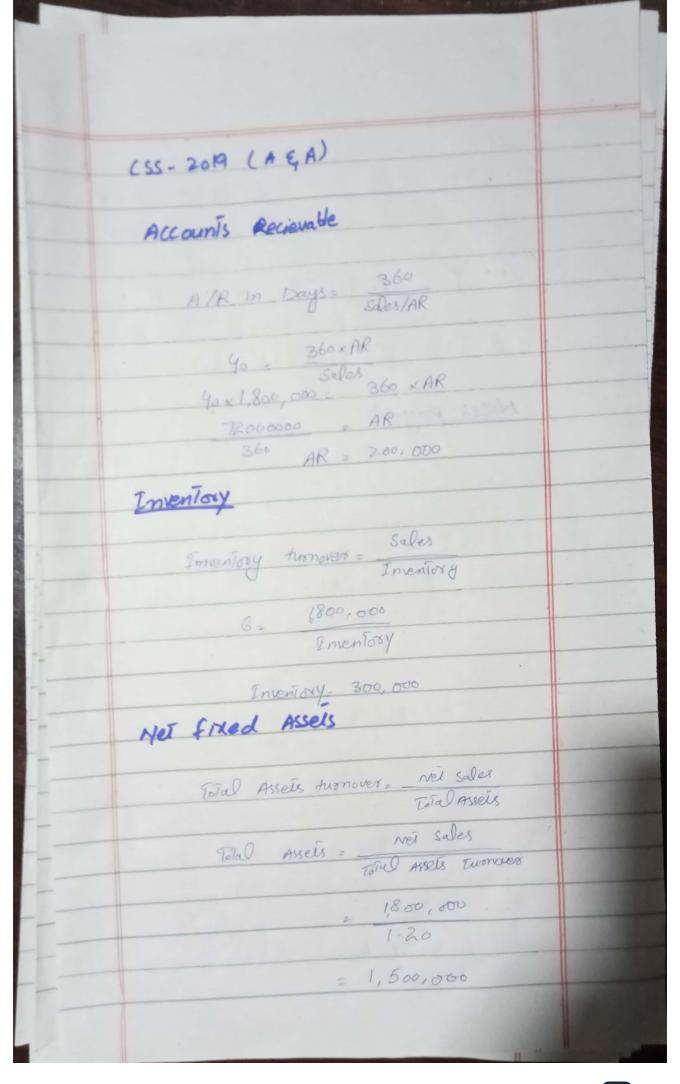
	1.39
CSS-2007	
Given:	
cussene Ratio=2.5	
Liquid Raio = 15	
Proprietary Ratio = 0.75 (E/Fixed Assels)	
Advanced frame of the second	
Working capital = RS 150,000	
Reserves and Surplus = RS, 100,000	
Bank overdraft (CL) = RS. 25,000	
Solution:	
current Assets:?	
Cursone Assels	
current Ratio = current Assets current Ciabilities	
Curled Gassines	
2 6 current Assets	
2.5: Carrero Mises	
2.5 x 25,000 = current Assers	
82,500 = C.A	
CURRENT LIABILITIES	

	CSS- 2012
	Given:
	curreni Ratio 2.0
	Quice Ratio 1.4
	ameni liabilities 100,000
	Inventory turnover 6x
	Gross profit Margin : 0-20
	Calculate firm's Sale
	Current Assels
	current ratio = Current Assels current liabilities
-	2 0 Current Assels
-	200,000 History
	12 Accord
	(2.0 × 100,000) = current Assels
	200,000 = CA
	Now By rusing Quick rations formula
-	for to find Inventory.
	O Cuorent Assets - Inventory
-	Quice Vairo = Current Assels - Inventory Current Liabilities
	1.4 2 200,000 - Inv
	(1.4) (100,000) = 200,000 - Env
-	140,000 - 200,000 = Inventory
1	60,000 = Inventory





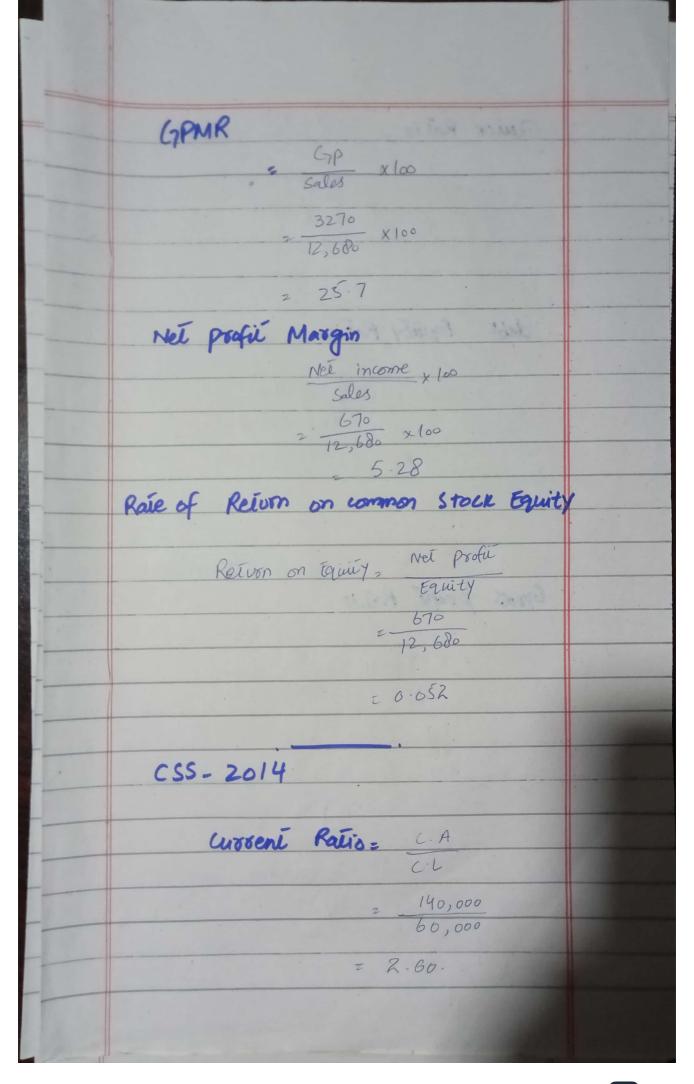
142000 200,000 Quick Ratio CA - Inventending) CL = 142000 - 150,000 200,000 = 0.04 Herworking Capatil 2 CA -CL - 142000 - 200,000 2 58,000 MPMR = Net Profit x 100 Sales Sales - CGS - Gooss poofil a Gross profii - operating exp = op profit 18,25,000 Sales - 540,000 CGS 1285000 GP -600,000 OP exp 685000 operating poofit NEI posti and PBIT because There is no tex given



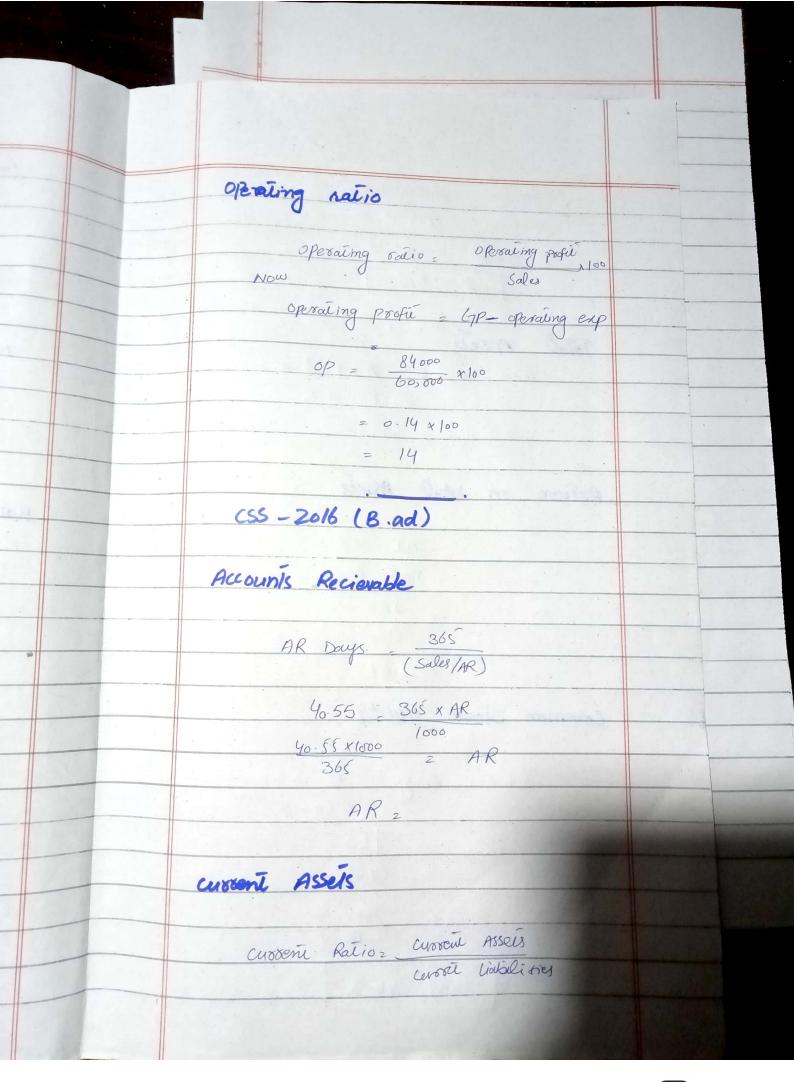
"		
	Now	
	· current Assers 2 Cash Inventory + Accounts RA	
	2 30,000 + 300,000 + 200,000	1
	2 530,000	
	Nei fixed Assels = Total Assels - CA	
	2 1500,000 -530,000	
	quet fixed asseis = 970,000	
	7/01	
	Hotes Payable	
	Current liabilities = Ace-payable + notes payable	
	+ Accurals	
	2 120, 000 + Noks Payable + 20,000	
	current Assels = cash + Married Seu + Inv + AR	
	2 30,000 + 25,000 + 200,000+ 225,000 2 480,000	
,	Now - Charel Assels	1
	current Rallier 2 Curret Assels	
	480,000	
	1.00 -	
	N.P+120000+2000	
	1.60 x (N.P 4 12000 + 2000) = 489,000	
	192,000 + NP = 288,000	
	NP = 288,000/1.60	
	Notes Payable = 180,000	
	THE RESERVE OF THE PARTY OF THE	

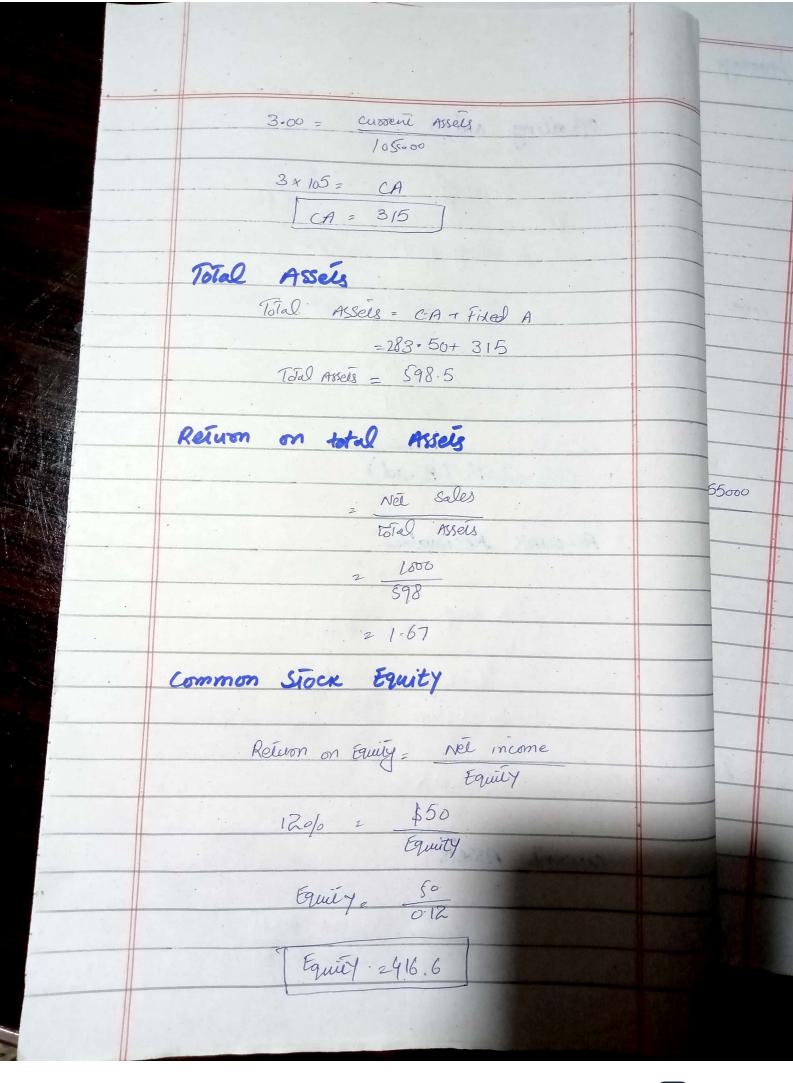
Long - Toom debt Total Assels - Liabilities + Equity Total Asseis = C.L + Non Curret. L + Equity 1500,000 - 320,000 + Non C. L + 600,000 1500,000 + 920,000 + Non C.L Non C.L 2 580,000 Long from Debt = 580,000 2016-CSS (AGA) current Ration current Assets curreil listabilities 3, 800 1,680 22-26 Quirx Ratio CA - Inv. 3,800,21,00 1680 2 1.01

	100.0
	Average Calles
	Average collection period.
	- Accounts Recentle 316
	Net credit Sale x 365
	1, 300 12,680 x 365
	12,680
	- 1 12/-
	= 0.10 x 365
	£ 37.42
	Inventory Turnover ratio
	Inventory Turnover Natio
	. CGS
	Inventory Jones
	in the second of
	2 CGS - Depoiciation 2 Enventory
	Invalory .
	2 8930 - 480
	2,100
-	2 8450 2 4.02
	2 8450 - 4.02
	Debt to nei worth vacioi-
	Total data
-	z Total debt
-	2 3680
	3440
	21.06



Quick Ratio: CA-SIN C-L 140000 - 60000 60,000 2 debt Equity Ratio: Total debt Total equity 1 146000 20,000 20,0000 20,0000 20,0000 CAPAR = CAP Sales xloo CAP = Sales - CAS CAP = 600,000 - 516,000 = 84000 = 84000 xloo 2 14 xloo 2 14
140000 - 60000 60,000 2 debt Equity Ratio: Total debt Total equity 1 140000 20,0000 20,0000 2 CAPMR: CAP Sales x loo CAP: Sales - CAS CAP: 600,000 - 516,000 = 84000 2 600,000 X loo 2 0.14 X loo
debt Equity Ratio. Total debt Total equity 1 140000 20,0000 20,0000 CAPMR = CAP Sales xloo CAP: 600,000 - 515,000 = 84000 = 84000 xloo - 6.14 xloo
75 Total debt Total equity 1 146000 20,0000 20,0000 20,0000 20,0000 20,0000 20,0000 20,0000 20,0000 20,0000 20,0000 CAP = Sales - CLAS CAP = 600,000 - 516,000 = 84000 20,0000 20,0000 - Xloo 20,0000 - Xloo
1 146000 20,0000 20,0000 20,0000 20,0000 20,0000 20,0000 20,0000 20,000 - S16, 000 = 84000 2 600,000 x 100 2 600,000 x 100
20,0000 20,0000 CAPAR = CAP Sales ×100 CAP = Sales - CLAS CAP = 600,000 - 516,000 = 84000 = 84000 ×100 - 600,000 ×100
Gros profit Ratio (7PMR = \frac{GP}{Sales} xloo (7P = Sales - CGS (7P = 600,000 - 516,000 = 84000 = \frac{84000}{600,000} xloo = 0.14 xloo
C7PMR = C1P Sales x100 C7P = Sales - CC7S C7P = 600,000 - 516,000 = 84000 = 84000 G00,000 x100 = 600,000
$ \frac{C_{1}P_{2} + 600,000 - 516,000}{284000} = 84000 $ $ = \frac{84000}{600,000} \times 100 $ $ = 6.14 \times 100 $
2 84000 Xloo 600,000 Xloo
2 6.14 X100

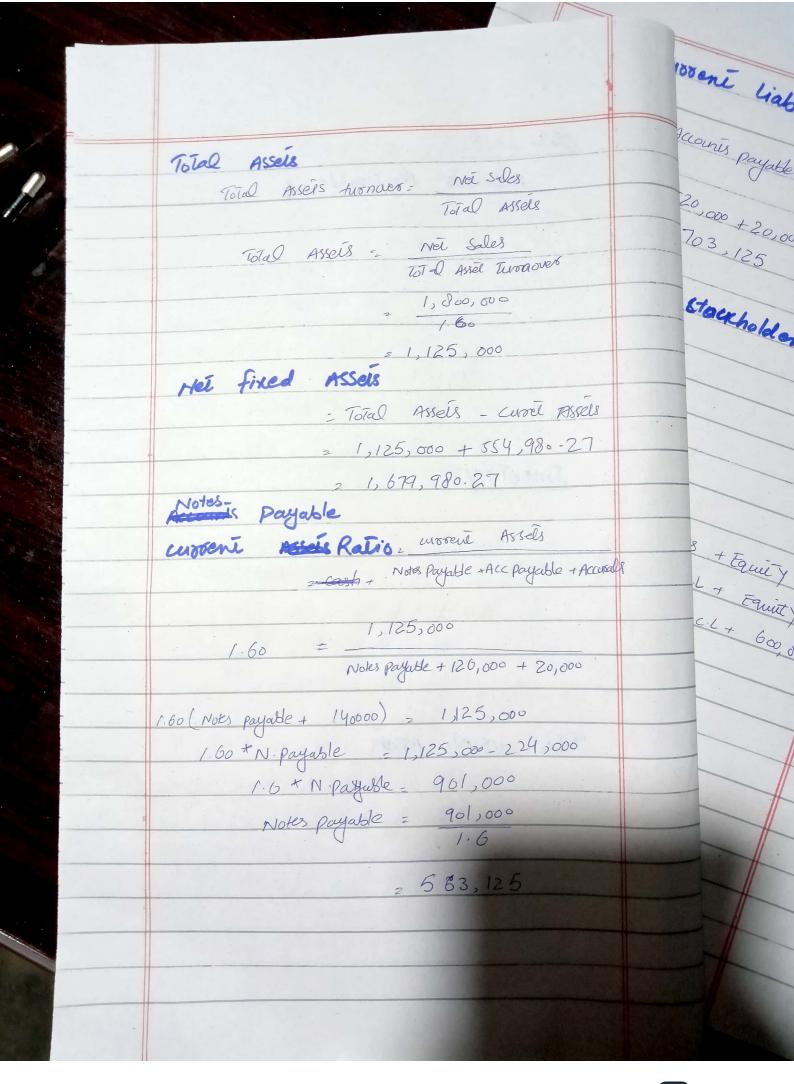




	Quick Ratio	
		The state of the s
1/2		
	CSS - 2017	
	Curoni Ralio - CA	
	2 10,000+ 15,000+ 20,000 + 465,000	
	12,000	
	2 41	
	Quick Ratio	
	CA - Inventory	
	CL	
	500,000 - 20,000	
	. 2	
	12,000	
	2 480,000	
	12,006	
	2 40	
-		

	Austage wilection period:
	0
	Accounts Recievable 16 Mars.
	Accounts Recievable x 365 Days.
	2 18,000 x365 500,000
	·
	2 0.03 x 3(5
	2 10.96
	Time mierest earned
	= operating Income
	Enterest expense
	Now
	gerating Income , Sales-CGS - operating exp
	2 500,000-300,000-60,000
	2 140,000
	Now
	operating Encome
	Enterest exp
	= 140,000
-	= 14
	Inventory Turnover
	2 CGS Inventory
	= 300,000
	20,000

CSS-2018	
Accounts Recievable = ?	
AR Days = 385 (Sales /AR)	
(Sales/AR)	
40 = 365 × AR	
1,800,000	
40×1,800,000 = AR	
365	
197,260.27 = AR.	
Inventory?	
Emphory turnount - Sales	
Imentory turnover = Sales Enventory	
In × 6.0 = Sales	
Enventory = 1,809 800.	
Inventory = 300,000	
Inventory 2 300,000	
Total current Assers	
= cash + Marketable Sec + A/R + Inventor	
2 32, 720+25,000+300,000	
 + 197, 260. 2	1
2 554,980.27	
	12



	Total cuovant liabilities	
	Tance and one success	
	= Accounts payable + Note payable + Accounts	
	b	
	2 120,000 + 20,000 + 563, 125	
1	2 703,125	
	Total Liab and Stackholder Equity	
	2	
	long-term Debt	
t.		
	Total Assels - Liabilities + Equity	
	Total Assets = C.L + Non C.L + Equity. 1125,000 = 703,125 + Non C.L + 600,000.	
	1,25,000 2 103/1257 100/ EL + 000, que	
	Non. C.L = 178,125	
		1
4		