

viii. Transfer to general reserve Rs. 20,000

ix. Directors proposed a dividend @ 10% on paid up capital.

Required:

a. Trading account b. Profit and loss account

c. Profit and loss appropriation account d. Balance sheet.

[3+4+2+6]

Ans: (a) GP Rs. 295,000 (b) NP Rs. 134,800 (c) P/L app a/c Rs. 83,800 (d) B/s total Rs. 780,800

39. 2060 Q.No. 5

The Trial Balance of Expo Co. Ltd. as on 31st. Chaitra, last years given below:

Particulars	Dr.(Rs.)	Cr.(Rs.)
Equity share capital of Rs. 100 each		4,00,000
10% debentures		1,00,000
Sales Revenue		7,00,000
Opening stock	1,20,000	
Taxes & Rent	25,000	
Purchases	2,50,000	
Wages	2,25,000	
Discount	10,000	
Building	3,00,000	
Carriage inward	5,000	
Carriage outward	10,000	
Sundry debtors	80,000	
Machinery	1,50,000	
Furniture	50,000	
Loose tools	25,000	
Advertisement	10,000	
General expenses	15,000	
Bad debt	4,000	
Debenture interest paid up to 30th Ashwin	5,000	
Insurance	10,000	
Creditors		36,000
Bank overdraft		30,000
Discount		15,000
Transfer fees		5,000
Return outward		10,000
Cash and bank Balance	56,000	
Provision for doubtful debt		4,000
Profit and Loss Account		50,000
	13,50,000	13,50,000

Additional information:

- The authorized capital of the company was Rs. 6, 00,000.
- Stock on 31st. Chaitra last year were valued at Rs. 80,000.
- Depreciate plant and machinery at the rate of 10%.
- Provision for doubtful debt increased up to Rs.5, 000.
- Insurance prepaid was Rs. 5,000.
- Wages outstanding was Rs. 4,000
- A general reserve is created for Rs. 10,000.
- Directors' proposed final dividend of 10% paid up capital.

Required:

a. Trading Account b. Profit and Loss Account

c. Profit and Loss app. Account d. Balance sheet on 31st Chaitra, last year

[3+4+2+6]

Ans: (a) GP Rs. 186,000 (b) NP Rs. 101,000 (c) P/L app. a/c Rs. 101,000 (d) B/s total Rs. 726,000

40. 2060 SUPP. Q.No. 5

Lumbini Trading Company provides you the following trial balance prepared of Ashadh 31, 2058 and additional information thereon.

Debit	Rs.	Credit	Rs.
Opening stock	50,000	Sales	620,000
Purchase	450,000	Authorized and paid up capital:	
Cash at bank	74,000	Equity share capital	
Carriage on purchase	25,000	8% preference share capital	200,000
8% investment	110,000	Share premium	200,000
Wages	45,000	General reserve	20,000
Account receivable	35,000	Account payable	75,000
Fixed assets	195,000	P/L a/c of last year	38,000
Depreciation written off	20,000		12,900
Advance tax paid	66,500		
Trade expenses	15,400		
Salaries	40,000		
Establishment charges	30,000		
Calls in arrears	10,000		
	1,165,900		1,165,900

Additional information:

- Stock at end of the year was valued at Rs. 2,14,000
- Dividend to preferences shares capital was declared and paid
- Make provision for bad and doubtful debts at 5% on sundry debtors.
- Make provision for tax at 25% of the profit.
- General reserve to be increased by 20% of net profit after tax.
- Directors proposed a dividend of 10% on paid up capital.
- Interest on investment is due for last three months.

Required:

- Trading account
- Profit and loss account
- Profit and loss appropriation account
- Balance sheet.

[3+4+2+6]

Ans: (a) GP Rs. 2,64,000 (b) NP Rs. 1,19,287.50 (c) P/L appr. a/c Rs. 73,330 (d) B/S total Rs. 6,94,950

5. WORKSHEET

1. 2073 Set C Q.No. 14

Trial balance of a limited company as on Ashad 31, 2072 is given below:

Particulars	Debit (Rs.)	Credit (Rs.)
Opening stock	50,000	
Purchases	4,00,000	
Plant	2,00,000	
Debtors	1,00,000	
Wages	40,000	
Rent	30,000	
Salaries	60,000	
Cash	20,000	
Sales		7,00,000
Share capital		1,00,000
Creditors		40,000
Profit and loss account		60,000
	9,00,000	9,00,000

Additional information:

- Wages payable Rs. 5,000
- Pre-paid rent Rs. 10,000
- Depreciation on plant Rs. 20,000

iv. Proposed dividend Rs. 10,000

Required: a. Adjustment entries b. Worksheet

Ans: (a) ATB Rs. 915,000; Net profit Rs. 105,000; B/S Total Rs. 310,000

2. 2073 Set D Q.No. 13The trial balance of a company as on Chaitra 31st is given below:

Debit	Rs	Credit	Rs.
Purchases	5,00,000	Sales	9,00,000
Salary and wages	2,00,000	Creditors	45,000
Cash	15,000	Profit and loss a/c	20,000
Debtors	1,50,000	Reserve	35,000
Fixed assets	4,00,000	Share capital	3,00,000
Carriage	5,000		
House rent	30,000		
	13,00,000		13,00,000

Additional information:

i. Depreciate fixed assets by 10%

ii. Outstanding salary Rs. 20,000

iii. Prepaid rent Rs. 10,000

iv. Proposed dividend 10%

Required: a. Adjustments entries b. Worksheet

[2+6=8]

Ans: (a) ATB Rs. 13,50,000; Net profit Rs. 115,000; B/S total Rs. 535,000

3. 2072 Supp Q.No. 13

The Trial Balance of N company Ltd. as on Chaitra 31 is given below:

Dr.		Cr.	
Particulars	(Rs.)	Particulars	(Rs.)
Purchase	2,75,000	Sales	6,00,000
Opening stock	30,000	Share Capital	2,00,000
Building	2,50,000	Profit and Loss Account	50,000
Rent	5,000		
Wages	30,000		
Insurance	10,000		
Debtors	2,00,000		
Salaries	50,000		
Total	8,50,000	Total	8,50,000

Additional Information:

i. Outstanding salaries Rs. 4,000

ii. Pre-paid insurance Rs. 2,500

iii. Proposed dividend @ 10%.

Required: a. Adjustments entries b. Work sheet

[2+6]

Ans: ATB = Rs. 87,400, NP = Rs. 1,98,500 R/E (Dr.) = Rs. 2,28,500, B/S Total = Rs. 4,25,500

4. 2072 Set C Q.No. 13The Trial Balance of a Ltd company as on 31st Ashadh, is given below:

Particulars	Debit Rs.	Credit Rs.
Sales		5,00,000
Creditors		65,000
Purchases	4,50,000	
Fixed assets	1,50,000	
Profit and loss A/c		10,000
Debtors	1,00,000	
Reserve fund		50,000
Salaries and other expenses	160,000	
Bank balance	10,000	
Share capital		2,45,000
	870,000	8,70,000

Additional Information

- i. Salary outstanding Rs.20,000
 ii. Depreciation during the period Rs.5,000

Required : a. Journal entries for adjustment b. Work sheet [2+6=8]

Ans: ATB = Rs. 890,000, NL = Rs. 135,000 R/E (Dr.) = Rs. 125,000, B/S Total = Rs. 380,000

5. 2072 Set D Q.No. 13

The Trial Balance of a company as on Chaitra 31st is given below:

Particulars	Debit Rs.	Particulars	Credit Rs.
Opening stock	20,000	Sales	5,25,000
Purchases	4,09,000	General reserve	10,000
Machinery	1,50,000	Share capital	1,50,000
Debtors	1,10,000	Profit and Loss account	75,000
Carriage	15,000		
Cash in hand	25,000		
Discount	1,000		
Salaries	30,000		
	7,60,000		7,60,000

Additional information :

- i. Depreciate machinery 10%
 ii. Prepaid salaries Rs.1,000
 iii. Proposed dividend @10%

Required : a. Adjustment entries b. Work sheet [2+6=8]

Ans: ATB = Rs. 775,000, NI = Rs. 36,000, RE = Rs. 96,000, B/S Total = Rs. 271,000

6. 2072 Set E Q.No. 13

The Trial Balance of a company as on 31st Chaitra is as under:

एजटा कम्पनीको ३१ चैत्रको सन्तुलन परीक्षण निम्नानुसार छ :

Particulars	Debit Rs.	Particulars	Credit Rs.
Purchases	5,00,000	Share capital	2,00,000
Wages	1,00,000	Sales	7,00,000
Rent	50,000	Profit and Loss appropriation account	80,000
Debtors	70,000		
Building	3,00,000		
Cash	10,000	Creditors	50,000
Total	10,30,000	Total	10,30,000

Additional information:

- i. Outstanding rent Rs. 10,000
 ii. Depreciation on building @ 10%
 iii. Proposed dividend @ 10%

Required : a. Adjustment entries b. Work sheet [2+6=8]

Ans: ATB = Rs. 10,60,000, NI = Rs. 10,000, R/E = Rs. 70,000, B/S Total = Rs. 350,000

7. 2071 Supp Q.No. 13

The Trial Balance of a company as on 31st Chaitra is as under:

Particulars	Debit (Rs.)	Particulars	Credit (Rs.)
Building	300,000	Share capital	3,00,000
Debtors	100,000	Sales	2,70,000
Bills receivable	120,000	Creditors	52,000
Salaries	80,000	Profit and loss appropriation account	25,000
Rent	20,000		
Interim Dividend	15,000		
Prepaid insurance	12,000		
Total	647,000	Total	647,000

Additional informations

- i. Depreciate building @ 10% p.a.

- ii. Provide 10% dividend on capital
 iii. Prepaid insurance expired to the extent of Rs.6000

Required: a. Adjustment entries b. Work sheet [2+6]

Ans: (b) ATB = Rs. 677,000, NI = Rs. 134,000, RE = Rs. 114,000, B/S Total = Rs. 496,000

8. 2071 Set C Q.No. 13

The Trial Balance of Y Company Ltd. as on December 31 is given below:

Debit	Rs	Credit	Rs.
Purchases	3,00,000	Share capital	4,50,000
Building	5,00,000	Creditors	2,50,000
Debtors	2,00,000	Sales	4,60,000
Salaries	2,25,000	Reserve fund	1,00,000
Bank balance	25,000	Profit & loss a/c	40,000
Rent	30,000		
Wages	20,000		
Total	13,00,000	Total	13,00,000

Additional information:

- i. Wages payable: Rs. 2,000
 ii. Rent paid in advance: Rs. 1,000
 iii. Depreciation on building: 10%

Required: a. Journal entries for adjustments b. The worksheet [3+5=8]

Ans: (b) ATB Rs. 13,02,000, Net profit Rs. 166,000, RE Rs. 126,000 (Dr.), B/S total Rs. 802,000

9. 2071 Set D Q.No. 13

The Trial Balance of a Ltd Company as on 31 Chaitra 2068 is given below: [3+5=8]

Particulars	Debit Rs.	Particulars	Credit Rs.
Goodwill	70,000	Share capital	6,00,000
Debtors	2,00,000	Sales	3,50,000
Machinery	7,00,000	Reserve Fund	1,50,000
Stationery	30,000	Creditors	2,00,000
Bank Balance	1,00,000	Profit & Loss A/c	50,000
Salary	2,00,000		
Wages	50,000		
	13,50,000		13,50,000

Additional Information

- i. Depreciation on machinery: 10%
 ii. Wages payable: Rs. 5000

Required: a. Journal Entries for adjustment b. Work sheet

Ans: (b) ATB Rs. 13,55,000, Net loss Rs. 5,000, RE Rs. 45,000, B/S total Rs. 10,00,000

10. 2070 Supp Q.No. 13

The Trial Balance of MM Ltd. Company as on Ashad-31, 2069 is given below.

Particulars	Debit (Rs.)	Particulars	Credit (Rs.)
Machinery	300,000	Sales	550,000
Office equipments	200,000	Creditors	100,000
Purchases	500,000	Outstanding salaries	20,000
Debtors	20,000	Capital	200,000
Salary	30,000	Profit-loss	230,000
Rent	20,000		
Wages	30,000		
	11,00,000		11,00,000

Additional information:

- i. Charge depreciation on machinery by 10%
 ii. Provide 7% dividend on capital

Required: a. Adjustment Entries b. Work sheet [3 + 5]

Ans: (b) Total of ATB Rs. 11,44,000; Net loss Rs. 60,000; R/E Rs. 156,000; B/S Total Rs. 490,000

11. 2070 Set C Q.No. 13

Trial balance of a limited company as on Ashadh 31, 2068 is given below.

Particulars	Debit (Rs.)	Credit (Rs.)
Equipment	10,00,000	
Furniture	3,00,000	
Opening Inventory	8,00,000	
Debtors	5,00,000	
Purchases	40,00,000	
Salary and allowances	11,00,000	
Stationery	1,00,000	
Miscellaneous	2,00,000	
Share capital		10,00,000
Sales		62,00,000
Creditors		6,00,000
Profit and loss appropriation account		2,00,000
Total	80,00,000	80,00,000

Additional Information:

- i. Depreciate the equipment by 15%. ii. Salary payable Rs. 50,000
 iii. Proposed dividend at 10%

Required: a. Entries for adjustment b. Work sheet [3 + 5]

Ans: (b) ATB Rs. 81,50,000; Net loss Rs. 200,000; Income Statement 64,00,000;
 R/E Rs. 100,000 (Dr.); B/S total 17,50,000

12. 2070 Set D Q.No. 13

Trial Balance of a Limited Company as on December 31, 2011 is given below:

Particulars	Debit (Rs.)	Credit (Rs.)
Fixed assets	40,00,000	
Current assets	10,00,000	
Purchases	30,00,000	
Salary and Allowance	12,00,000	
Sales return	50,000	
House rent	1,50,000	
Share capital		56,00,000
Profit and loss account		13,00,000
Current liabilities		7,00,000
8% Debentures		20,00,000
Miscellaneous	2,00,000	
Total	96,00,000	96,00,000

Additional Information

- i. Depreciation on fixed assets at 10 percent.
 ii. Interest on debentures outstanding Rs. 1,60,000
 iii. House rent paid in advance Rs. 15,000.

Required: a. Entries for adjustment b. Work sheet [3+5]

Ans: (b) ATB Total Rs. 97,60,000, Net loss Rs. 51,45,000, RE Rs. 38,45,000 (Dr.) B/S Total 84,60,000

13. 2069 Supp Set A Q.No. 14

The Trial Balance of A company as on 31st chaitra, previous year is given below.

Debit	Rs.	Credit	Rs.
Building	3,00,000	Share Capital	5,00,000
Other Fixed Assets	1,50,000	Profit & Loss Account	50,000
Interim Dividend	10,000	Sales	5,00,000
Purchases	4,00,000	Commission	15,000
Insurance	30,000	Creditors	1,35,000
Debtors	1,50,000		
Bank Balance	1,00,000		
Salaries	60,000		
	12,00,000		12,00,000

Additional Information:

- Depreciate both Building and fixed assets by 10%.
- Outstanding Salaries Rs. 10,000.
- Write off bad debts of Rs. 5,000, also create a provision for bad debt Rs. 5000.
- Transfer to general reserve Rs. 5000.

Required: a. Journal Entries b. Worksheet [4+4=8]
 Ans: (b) ATB Rs. 12,15,000; Net Loss Rs. 40,000; R/E Rs. 5,000 (Dr.); B/S Total Rs. 650,000

14. 2069 Supp Set B Q.No. 13

The Trial Balance of a company as on 31 Chaitra is given below:

Debit	Rs.	Credit	Rs.
Purchase	1,20,000	Share capital	1,00,000
Opening Stock	30,000	Sales	2,50,000
Machinery	1,50,000	Profit and Loss account	50,000
Salary	30,000	Creditors	15,000
Rent	20,000		
Wages	10,000		
Debtors	40,000		
Cash	15,000		
	4,15,000		4,15,000

Additional information:

- Wages due Rs. 1,000.
- Pre-paid rent Rs. 500
- Write off bad debts Rs. 2,000
- Proposed dividend @ 10%

Required: a. Adjustment entries b. Work sheet [2+6]
 Ans: (b) ATB Rs. 426,000; Net profit Rs. 37,500; R/E Rs. 77,500; B/S Rs. 203,500

15. 2069 (Set A) Q.No. 13

Trial Balance of a Limited Company as on Ashadh 31, 2067 is given below:

Particulars	Debit (Rs.)	Particulars	Credit (Rs.)
Building	25,00,000	Sales	71,00,000
Equipment	5,00,000	Creditors	2,00,000
Debtors	4,00,000	House rent-payable	10,000
Purchases	50,00,000	Share capital	20,00,000
Salary	11,00,000	Profit and loss account	4,90,000
Goodwill	1,00,000		
House rent	60,000		
Miscellaneous	1,40,000		
Total	98,00,000	Total	98,00,000

Additional information:

- Bad debts: Rs. 5,000
- Proposed dividend: at 10%
- Depreciation on equipment at 10%

Required: a. Entries for adjustment b. Work sheet [3+5=8]
 Ans: (b) ATB Rs. 100,00,000, NP Rs. 745,000, R/E Rs. 10,35,000, B/S Total Rs. 34,45,000

16. 2069 (Set B) Q.No. 13

The Trial Balance A and A Limited Company as on Chaitra 31 is given below:

Particulars	Debit (Rs.)	Particulars	Credit (Rs.)
Opening stock	40,000	Share capital	1,00,000
Purchases	2,00,000	Sales	3,00,000
Wages	20,000	P/L app account	50,000
Salaries	30,000	Creditors	30,000
Rent	24,000		
Cash	36,000		
Debtors	30,000		
Machinery	1,00,000		
Total	4,80,000	Total	4,80,000

Additional information:

- Wages outstanding: Rs. 5,000
- Depreciate machinery by 10%
- Proposed dividend @ 10%.

Required: Worksheet

[8]
 Ans: NL Rs. 29,000; R/E Rs. 11,000; B/S Rs. 1,56,000

17. 2068 Q.No. 13

Trial balance of a Limited Company as on 31st Ashadh is given below:

Debit	Rs.	Credit	Rs.
Purchase	4,00,000	Sales	5,15,000
Fixed Assets	2,00,000	Creditors	50,000
Debtors	1,00,000	Profit & Loss Account	10,000
Salaries and others	1,42,000	Reserve Fund	25,000
Cash	3,000	Share Capital	2,50,000
Rent Receivable	5,000		
Total	8,50,000	Total	8,50,000

Additional Information:

- Salary outstanding Rs. 10,000
- Proposed dividend at 10%
- Appreciation on fixed assets by Rs. 20,000

Required: a. Entries for adjustment

b. Work sheet

[3+5=8]
 Ans: UTB Rs. 8,50,000; Adj. Rs. 55,000; ATB Rs. 9,05,000; Net loss Rs. 17,000;
 Retained profit Rs. 32,000 (Dr.) B/S Rs. 3,60,000

18. 2068 Supp Q.No. 14

The Trial Balance of A Company Limited as 31st Chaitra, last year is given below:

Particulars	Debit (Rs.)	Credit (Rs.)
Share Capital		2,00,000
General Reserve		50,000
Profit and Loss Account		50,000
Sales		7,00,000
Purchases	5,00,000	
Fixed Assets	4,00,000	
Other expenses	1,00,000	
	10,00,000	10,00,000

Additional Information:

- Depreciate fixed assets by 5%
- Provide 10% dividend on share capital and transfer Rs. 5,000 towards general reserve.

Required: Work Sheet

[5]
 Ans: NP Rs. 80,000; R/E Rs. 105,000; B/S Total Rs. 380,000

19. 2067 Q.No. 14

The following information are provided:

Revenue	Rs.1,50,000	Wages	Rs.10,000
Debtors	50,000	Salaries	30,000
Land & Building	2,50,000	Rent	40,000
Advertisement	20,000	Insurance	5,000
Furniture	50,000	Cash	30,000
Commission (Cr.)	5,000	Debentures	80,000
Creditors	50,000	Share Capital	2,00,000

Additional information:

- Provide depreciation @ 10% on furniture.
- Provide 10% dividend on paid up capital.

Required: Work Sheet

[8]
 Ans: Adj. T/B Rs. 5,05,000; NP Rs. 45,000; B/S total Rs. 3,75,000

20. 2067 Supp Q.No. 14

The trial balance of 'C' Co. Ltd. as on 31st Chaitra is given below:

Particulars	Debit	Particulars	Debit
Purchases	2,00,000	Share capital	2,00,000
Building	1,00,000	Loan	1,50,000
Salaries	30,000	Sales	3,50,000
Machinery	1,50,000	Creditors	50,000
Debtors	1,00,000		
Cash	40,000		
Rent	10,000		
Investment	1,00,000		
Wages	20,000		
Total	7,50,000	Total	7,50,000

Additional Information:

- i. Wages outstanding Rs. 4,000 ii. Pre-paid rent Rs. 1,000
 iii. Depreciate Machinery by 10% iv. Proposed dividend @10%

Required: a. Journal entries for adjustments b. Work sheet.

[2+6]

Ans: UTB Rs. 7,50,000; Adj Rs. 40,000; ATB Rs. 7,54,000; Net profit Rs. 72,000
 R/E Rs. 52,000; B/S Rs. 4,76,000

21. 2066 (C) Q.No. 14

The Trial Balance of X Co. Ltd as on 31st, Chaitra is given below:

Particulars	Debit (Rs.)	Credit (Rs.)
Share capital	-	2,50,000
Sales	-	4,00,000
Purchases	2,95,000	-
Wages	20,000	-
Carriage	5,000	-
Salaries	30,000	-
Fixed assets	3,00,000	-
Creditors	-	50,000
Debtors	40,000	-
Insurance	10,000	-
Total	7,00,000	7,00,000

Additional Information:

- i. Depreciate fixed assets by 10% iii. Wages outstanding Rs. 5,000
 iii. Insurance prepaid Rs. 2,000 iv. Bad debts Rs. 3,000

Required: Ten-column work sheet.

[8]

Ans: ATB Rs. 7,05,000; NI Rs. 4,000; B/S Total Rs. 3,09,000

22. 2066 Q.No. 14

The Trial Balance of A Company as on 31, Chaitra previous year is given below:

Particulars	Debit (Rs.)	Credit (Rs.)
Share capital	-	5,00,000
Sales	-	10,00,000
Bank loan	-	2,50,000
Cash balance	50,000	-
Debtors	2,50,000	-
Fixed assets	10,00,000	-
Creditors	-	1,50,000
Administrative expenses	2,00,000	-
Salaries paid	2,50,000	-
Miscellaneous expenses	1,50,000	-
Total	19,00,000	19,00,000

Additional information:

- i. 10% depreciation is to be provided on fixed assets.

ii. Other expenses payable Rs. 20,000.

Required: a. Journal entries for adjustment b. Work sheet [2+6]

Ans: ATB Rs. 19,20,000; NI Rs. 2,80,000; B/S Total Rs. 12,00,000

23. 2066 Supp Q.No. 13

The Trial balance of N Company Ltd. as on December 31st is given below:

Debit	Rs.	Credit	Rs.
Machinery	6,50,000	Share capital	5,50,000
Good will	1,00,000	Creditors	2,75,000
Debtors	3,00,000	Sales revenue	3,75,000
Salary	2,50,000	Profit & Loss Account	65,000
Stationery	40,000	Reserve fund	1,00,000
Bank balance	25,000		
Total	13,65,000	Total	13,65,000

Additional Information:

i. Discount allowed to debtors Rs. 3,000

ii. Salary payable Rs. 5,000

Required: a. Journal entries for adjustment b. Work Sheet [2+6]

Ans: Adj. Rs. 8,000; Adj T/B Rs. 13,70,000; NP Rs. 77,000; R/E Rs. 1,42,000; B/S Rs. 10,72,000

24. 2065 Q.No. 14

The trial balance of K. Ltd. Company as on Chaitra 31, is given below:

Particulars	Debit (Rs.)	Credit (Rs.)
Machinery	1,50,000	-
Sundry debtors	50,000	-
Loan to Madan	60,000	-
Share capital	-	1,80,000
Sales revenue	-	1,18,000
Salaries	40,000	-
Advertisement	10,000	-
Creditors	-	14,500
Interim dividend	7,000	-
Profit and loss appropriation account	-	12,000
Prepaid insurance	6,000	-
Advance rent	-	6,000
Depreciation	7,500	-
Total	3,30,500	3,30,500

Additional information:

i. Prepaid insurance expired Rs. 3,000.

ii. The entire amount of advance rent received is earned.

Required: a. Journal entries for adjustment b. Twelve column worksheet [2+6=8]

Ans: (b) Total of UTB Rs. 3,30,500; Adj. Rs. 9,000; ATB Rs. 3,30,500; Retained earning 68,500; Net profit Rs. 63,500; B/S Rs. 2,63,000

25. 2064 Q.No. 14

The trial balance of a company as on 31st Chaitra, last year is given below:

Particulars	Debit Rs.	Credit Rs.
Share capital		3,00,000
Revenue		8,00,000
Bank loan		2,50,000
Creditors		50,000
Cash in hand	40,000	
Debtors	60,000	
Fixed assets	7,00,000	
Administrative expenses	2,00,000	
Salaries	2,50,000	
Other expenses	1,50,000	
Total	14,00,000	14,00,000

Additional information:

- i. Provide depreciation @ 10% p.a. on fixed assets.
 ii. Salaries payable Rs. 10,000

Required: a. Journal entries for adjustment b. Worksheet [2+6 = 8]
 Ans: (b) UTB Rs. 14,00,000; Adj. Rs. 80,000; ATB Rs. 14,10,000;
 Net profit Rs. 1,20,000; B/S Rs. 7,30,000

26. 2064 Supp. Q.No. 14

The trial balance of a company as on 31st Chaitra, last year is given below:

Particulars	Debit Rs.	Credit Rs.
Share capital	-	5,00,000
Revenue	-	3,00,000
Bank overdraft	-	15,000
Wages	2,00,000	-
Land and building	3,00,000	-
Carriage	15,000	-
Sundry debtors	80,000	-
Plant and machinery	2,00,000	-
Advertisement	10,000	-
Insurance	10,000	-
Total	8,15,000	8,15,000

Additional information:

- i. Depreciate plant and machinery by 10%
 ii. Insurance prepaid was Rs. 4,000

Required: (a) Adjustment entries (b) Ten-column worksheet [2+6]
 Ans: (b) UTB Rs. 8,15,000; Adj. Rs. 24,000; Adj. TB Rs. 8,15,000; Net profit Rs. 49,000; B/S Rs. 5,64,000

6. FINANCIAL STATEMENT ANALYSIS**1. 2073 Set C Q.No. 3**

Mention any three objectives of financial statement analysis. [3]
 वित्तीय विवरण विश्लेषणका कुनै तीन उद्देश्यहरू बताउनुहोस् ।

2. 2073 Set D Q.No. 3

Mention any three objectives of financial statement analysis. [3]
 वित्तीय विवरण विश्लेषणका कुनै तीन उद्देश्यहरू उल्लेख गर्नुहोस् ।

3. 2072 Supp Q.No. 3

State any three limitations of financial statement. [3]
 वित्तीय विवरणका कुनै तीन सीमाहरू उल्लेख गर्नु होस् ।

4. 2072 Set C Q.No. 3

Write in brief any three limitations of financial statement analysis. [3]
 वित्तीय विवरण विश्लेषणको कुनै तीन सीमा छोटकरीमा वर्णन गर्नुहोस् ।

5. 2072 Set D Q.No. 3

State any three objectives of Financial Statement Analysis. [3]
 वित्तीय विवरण विश्लेषणको कुनै तीन वटा उद्देश्यहरू उल्लेख गर्नुहोस् ।

6. 2072 Set E Q.No. 3

Mention any three limitations of financial statement analysis. [2]
 वित्तीय विवरण विश्लेषणका कुनै तीन सीमाहरू उल्लेख गर्नु होस् ।

7. 2071 Supp Q.No. 3

Write any three limitations of financial statement analysis. [3]
 वित्तीय विवरण विश्लेषणका कुनै तीनवटा सीमाहरू बताउनुहोस् ।

8. 2071 Set C Q.No. 3

Enumerate the parties interested in financial statement analysis. [3]
 वित्तीय विवरण विश्लेषणमा सरोकार पक्षहरू उल्लेख गर्नुहोस् ।

9. 2071 Set C Q.No. 4

Write clearly the meaning of financial statements.
वित्तीय विवरणको अर्थ स्पष्ट पार्नुहोस् ।

[2]

10. 2070 Supp Q.No. 3

Clarify the meaning of financial statement analysis.
वित्तीय विवरण विश्लेषणको अर्थ प्रष्ट्याउनुहोस् ।

[3]

11. 2070 Set C Q.No. 3

Write any three importance of financial statements analysis in brief.
वित्तीय विवरण विश्लेषणको कुनै तीन महत्व छोटकरीमा लेख्नुहोस् ।

[2]

12. 2070 Set C Q.No. 4

Mention any two limitations of financial statement analysis.
वित्तीय विवरण विश्लेषणका दुईवटा सीमा बताउनुहोस् ।

[3]

13. 2070 Set D Q.No. 4

State any two limitations of financial statement analysis.
वित्तीय विवरण विश्लेषणका कुनै दुई सीमाहरू उल्लेख गर्नुहोस् ।

[2]

14. 2069 Supp Set B Q.No. 3

Mention any three limitations of financial statement analysis.
वित्तीय विवरण विश्लेषणको कुनै तीन सीमाहरू उल्लेख गर्नुहोस् ।

[3]

15. 2069 (Set A) Q.No. 3

Write any three objectives of financial statement analysis.
वित्तीय विवरण विश्लेषणका कुनै तीन उद्देश्यहरू लेख्नुहोस् ।

[3]

16. 2069 (Set B) Q.No. 3

Define financial statements. State its any two objectives.
वित्तीय विवरणको परिभाषा दिनुहोस् । यसका कुनै दुई उद्देश्यहरू उल्लेख गर्नुहोस् ।

[3]

17. 2068 Supp Q.No. 3

Mention any six parties who are interested in Financial Statement Analysis.
वित्तीय विवरण विश्लेषणमा चासो लिने कुनै ६ पक्षका नामहरू उल्लेख गर्नुहोस् ।

[3]

18. 2067 Q.No. 3

Write the meaning Financial Statement Analysis.
वित्तीय विवरण विश्लेषणको अर्थ उल्लेख गर्नुहोस् ।

[3]

19. 2067 Supp Q.No. 3

Write any three limitations of Financial statements.
वित्तीय विवरणपत्रको कुनै तीन सीमाहरू लेख्नुहोस् ।

[3]

20. 2066 (C) Q.No. 3

Write any three limitations of financial statement analysis.
वित्तीय विवरण विश्लेषणका कुनै तीन सीमाहरू लेख्नुहोस् ।

[3]

21. 2066 Q.No. 3

Given any three reasons why management takes interest to analyse the financial statement.
व्यवस्थापनबाट वित्तीय विश्लेषण गर्नुपर्ने कुनै तीन कारणहरू प्रष्ट्याउनुहोस् ।

[3]

22. 2065 Q.No. 3

Mention any three objectives of financial statement analysis.
वित्तीय विवरण विश्लेषणका कुनै तीन उद्देश्यहरू उल्लेख गर्नुहोस् ।

[3]

23. 2065 Q.No. 15 (Old)

Write any three objectives of financial statements.
आर्थिक विवरणको कुनै तीन उद्देश्यहरू लेख्नुहोस् ।

[1+2]

24. 2064 Q.No. 3

List out any three objectives of financial statement analysis
वित्तीय विवरण विश्लेषणका कुनै तीन उद्देश्यहरू उल्लेख गर्नुहोस् ।

[3]

25. 2064 Q.No. 15 (Old) Define financial statement and give any two limitations of it. [1+2]
वित्तीय विवरणका परिभाषा दिई यसका कुनै दुईवटा सीमाहरू लेख्नुहोस् ।
26. 2064 Supp. Q.No. 3 Give any three limitations of financial statement analysis. [3]
वित्तीय विवरण विश्लेषणका कुनै तीन सीमाहरू लेख्नुहोस् ।
27. 2063 Q.No. 6 Give any two reasons for preparing the financial statements. [2]
वित्तीय विवरण तयार गर्नुपर्ने कुनै दुई कारणहरू उल्लेख गर्नुहोस् ।
28. 2062 Q.No. 15 Define financial statements. State its two importances. [3]
आर्थिक विवरणको परिभाषा सहित कुनै दुई महत्व लेख्नुहोस् ।
29. 2061 Q.No. 15 Define the term financial statement. [1]
वित्तीय विवरणको परिभाषा दिनुहोस् ।
30. 2060 Q.No. 15 State the importance of financial statement. [3]
आर्थिक विवरणको महत्वबारे लेख्नुहोस् ।
31. 2060 SUPP. Q.No. 15 Write any three objectives of financial statement. [3]
वित्तीय विवरणका कुनै तीन उद्देश्यहरू लेख्नुहोस् ।
32. 2059 Q.No. 15 Write any three features of financial statement. [3]
आर्थिक विवरणका कुनै तीन विशेषताहरू उल्लेख गर्नुहोस् ।
33. 2058 Q.No. 15 Write any three objectives of financial statement. [3]
वित्तीय विवरणका कुनै तीन उद्देश्यहरू लेख्नुहोस् ।
34. 2058 SUPP. Q.No. 15 Write any three objectives of financial statement. [3]
वित्तीय विवरणका कुनै तीन उद्देश्यहरू लेख्नुहोस् ।
35. 2057 Q.No. 15 Write any three objectives of financial statement. [3]
आर्थिक प्रतिवेदनका कुनै तीन उद्देश्यहरू लेख्नुहोस् ।

7. RATIO ANALYSIS

THEORETICAL QUESTIONS

1. 2072 Set D Q.No. 4 Write the meaning of gross profit ratio along with the formula. [2]
कूल नाफा अनुपातको अर्थ सूत्र सहित लेख्नुहोस् ।
2. 2071 Supp Q.No. 4 State the meaning of Average Collection Period. [2]
औसत संकलन अवधिको अर्थ बताउनुहोस् ।
3. 2071 Set D Q.No. 4 State any two limitations of ratio analysis. [2]
अनुपात विश्लेषणको कुनै दुई सीमाहरू उल्लेख गर्नुहोस् ।
4. 2070 Supp Q.No. 4 Mention any two limitations of ratio analysis. [2]
अनुपात विश्लेषणका कुनै दुई सीमाहरू उल्लेख गर्नुहोस् ।

5. 2069 Supp Set B Q.No. 4

What do you understand by Ratio Analysis?

अनुपात विश्लेषण भन्नाले के बुझनुहुन्छ ?

[2]

6. 2069 (Set A) Q.No. 4

Mention any two limitations of ratio analysis.

अनुपात विश्लेषणको कुनै दुईवटा सीमाहरू उल्लेख गर्नुहोस् ।

[2]

7. 2069 (Set B) Q.No. 4

Write in short, any two limitations of ratio analysis.

अनुपात विश्लेषणका कुनै दुई सीमाहरू छोटकरीमा वर्णन गर्नुहोस् ।

[2]

8. 2068 Q.No. 3

Write in brief the meaning of current liabilities and long term liabilities.

चालु दायित्व र दीर्घकालीन दायित्वको अर्थ छोटकरीमा लेख्नुहोस् ।

[3]

9. 2068 Supp Q.No. 4

Define Ratio Analysis.

अनुपात विश्लेषणको परिभाषा दिनुहोस् ।

[2]

10. 2067 Q.No. 4

Write in brief any two limitations of ratio analysis.

अनुपात विश्लेषणको कुनै दुई सीमा छोटकरीमा वर्णन गर्नुहोस् ।

[2]

11. 2067 Supp Q.No. 4

Write the meaning of Ratio Analysis.

अनुपात विश्लेषणको अर्थ प्रष्ट्याउनुहोस् ।

[2]

12. 2066 (C) Q.No. 4

What is meant by ratio analysis?

अनुपात विश्लेषण भन्नाले के बुझिन्छ?

[2]

13. 2066 Q.No. 4

Give any two objectives of ratio analysis.

अनुपात विश्लेषणका कुनै दुई उद्देश्यहरू लेख्नुहोस् ।

[2]

14. 2066 Supp Q.No. 4

Write any two limitations of ratio analysis?

अनुपात विश्लेषणका कुनै दुई सीमाहरू लेख्नुहोस् ।

[2]

15. 2065 Q.No. 4

Write about gross profit margin and net profit margin.

कुल मुनाफा अनुपात र खुद मुनाफा अनुपातबारे लेख्नुहोस् ।

[2]

16. 2064 Q.No. 4

What do you understand by the term ratio analysis?

अनुपात विश्लेषण भन्नाले के बुझ्नु हुन्छ ?

[2]

NUMERICAL PROBLEMS

17. 2073 Set C Q.No. 15

The following accounts are extracted from income statement and balance sheet.

Debentures	Rs. 5,00,000	Cash	Rs. 1,50,000
Creditors	Rs. 1,00,000	Outstanding expenses	Rs. 1,00,000
Undistributed profit	Rs. 3,00,000	Inventory	Rs. 2,00,000
Debtors	Rs. 2,50,000	Sales	Rs. 25,00,000
Discount on shares issued	Rs. 50,000	Share capital	Rs. 10,00,000

Required:

a. Current ratio

b. Quick ratio

c. Inventory turnover ratio

d. Debt-equity ratio

[1+1+1+2=5]

Ans: (a) 3:1 (b) 2:1 (c) 12.50 times (d) 40%

18. 2073 Set D Q.No. 15

The following information are provided.:

Inventories	Rs.1,50,000	Creditors	Rs.1,00,000
Gross profit	Rs.1,00,000	Debtors	Rs.1,75,000
Sales	Rs.8,75,000	Cash	Rs.15,000
Fixed assets turnover	3.5 times		

Required:

- a. Current ratio
 b. Liquid ratio
 c. Debtors turnover ratio
 d. Fixed assets
- [1+1+1+2=5]
 Ans: (a) 3.4:1 (b) 1.9:1 (c) 5 times (d) Rs. 250,000

19. 2072 Supp Q.No. 15

Following information are provided:

Cash balance	Rs. 30,000
Debtors	Rs. 50,000
Bills payable	Rs. 20,000
Closing stock	Rs. 1,20,000
Creditors	Rs. 80,000
Debtors turnover ratio	10 times
Gross profit margin	20%

Required:

- a. Current Ratio
 b. Quick Ratio
 c. Sales Amount
 d. Gross Profit
- [1+1+1.5+1.5]
 Ans: (a) 2:1 (b) 0.8:1 (c) Rs. 500,000 (d) Rs. 100,000

20. 2072 Set C Q.No. 15

The following information are given:

Closing stock	Rs.2,10,000
Cash on hand	Rs.1,20,000
Debtors	Rs.1,50,000
Share capital	Rs.15,00,000
Profit and loss account	Rs.1,50,000
10% debentures	Rs.6,00,000

Required

- a. Current liabilities, if current ratio is 2:1
 b. Quick ratio
 c. Debt-equity ratio
 d. Debt to total capital ratio
- [2+1+1+1=5]
 Ans: (a) Rs. 240,000 (b) 1.125 : 1 (c) 0.3636 or 36.36% (d) 0.2667 or 26.67%

21. 2072 Set D Q.No. 15

The following information are provided:

Current assets	Rs.2,00,000
Current ratio	2 : 1
Inventory turnover	5 times
Inventories	Rs.70,000
Share capital	Rs.5,00,000
Profit and loss account	Rs.50,000
10% debentures	Rs.2,00,000

Required:

- a. Current liabilities
 b. Sales amount
 c. Debt-equity ratio
 d. Debt to total capital ratio
- [1.5+1.5+1+1=5]
 Ans: (a) Rs. 100,000 (b) Rs. 350,000 (c) 0.3636 : 1 or 36.36%
 (d) 0.2667 : 1 or 26.67%

22. 2072 Set E Q.No. 15

Balance sheet of a company Ltd. for the last year is as under.

Liabilities	Rs.	Assets	Rs.
Share capital	2,00,000	Machinery	2,30,000
Reserve fund	50,000	Debtors	80,000
10% Debentures	1,00,000	Cash	70,000
Creditors	60,000	Pre-paid insurance	10,000
Expenses due	40,000	Stock	40,000
		Preliminary expenses	20,000
Total	4,50,000	Total	4,50,000

Additional information

- Net profit before interest and tax Rs. 56,000
- Income tax rate 50%

Required :

[1+1+1+2=5]

- Current Ratio
- Quick Ratio
- Debt-Equity Ratio
- Return on shareholders equity

Ans: (a) 2 : 1 (b) 1.5 : 1 (c) 0.4348 or 43.48%, (d) 10%

23. 2071 Supp Q.No. 15

The Balance Sheet of B. Limited company as on 30th Chaitra 2070 is as under:

Liabilities	(Rs.)	Assets	(Rs.)
Share capital	500,000	Fixed assets	500,000
Profit & Loss a/c	100,000	Closing stock	200,000
15% Debenture	200,000	Sundry Debtors	100,000
Short Term Loan	100,000	Bank Balance	50,000
Salary due	50,000	Preliminary expenses	100,000
Total	9,50,000	Total	9,50,000

Additional information:

- Sales : Rs.10,00,000
- Net profit for the year : Rs.200,000

Required :

[1×5=5]

- Current Ratio
- Fixed Assets Turnover Ratio
- Inventory Turnover Ratio
- Return on Assets
- Debt Equity Ratio

Ans: (i) 2.33 : 1 (ii) 2 times (iii) 5 times (iv) 27.06% (v) 40%

24. 2071 Set C Q.No. 15

The balance sheet of a company as on 31 December, last year is as under.

Liabilities	Rs.	Assets	Rs.
Share capital Rs. 100 per share	4,00,000	Plant & machinery	2,50,000
Retained earnings	60,000	Furniture	1,40,000
10% Debenture	40,000	Accounts receivables	1,30,000
Bills payable	50,000	Inventories	70,000
Accounts payable	1,00,000	Cash	20,000
		Bills receivables	30,000
		Preliminary expenses	10,000
Total	6,50,000	Total	6,50,000

Additional Information:

- Cost of goods sold for the year was Rs. 6,50,000
- Net profit after tax Rs. 60,000

Required:

[1×5=5]

- Current ratio
- Liquid ratio
- Debt-equity ratio
- Stock turnover ratio
- Earning per share

Ans: (a) 1.667:1 (b) 1.20:1 (c) 8.89% (d) 9.28 times (e) Rs. 15

25. 2071 Set D Q.No. 15

Balance Sheet of XYZ Co. Ltd. as on 31 Chaitra is given below:

Liabilities	Amount Rs.	Assets	Amount Rs.
Capital	10,00,000	Fixed Assets	12,00,000
Reserve	2,00,000	Current Assets:	
Profit & Loss A/C	1,50,000	Stock	4,50,000
Debenture	3,00,000	Debtors	1,60,000
Current Liabilities	2,60,000	Cash	1,00,000
Total	19,10,000	Total	19,10,000

Additional Information

- i. Cash sales Rs. 2,00,000
 ii. Credit sales Rs. 6,00,000

Required:

- a. Quick Ratio b. Debtors Turnover Ratio
 c. Debt Equity Ratio d. Fixed Assets Turnover Ratio e. Return on Total Assets [5]

Ans: (a) 1:1 (b) 3.75 times (c) 22.22% (d) 0.6667 times (e) 7.85%

26. 2070 Supp Q.No. 14

Following Balance Sheet is given.

Balance Sheet as on 31st Ashadh, 2069

Liabilities	Rs.	Assets	Rs.
Share capital	500,000	Fixed assets	600,000
Long term loan	250,000	Current assets	400,000
Current liabilities	250,000		
	10,00,000		10,00,000

Additional information:

Net profit after tax: Rs. 90,000

Required:

- a. Debt-equity ratio b. Current ratio
 c. Return on Assets d. Return on capital employed

Ans: (a) 50% (b) 1.60:1 (c) 9% (d) 12%

27. 2070 Set C Q.No. 15

Following details are given:

Share capital	Rs. 5,00,000	8% debentures	Rs. 200,000
Profit and loss account	Rs. 100,000	Debtors	Rs. 150,000
Inventory	Rs. 100,000	Bill receivable	Rs. 50,000
Long term investment	Rs. 250,000	Sales	Rs. 650,000
Current ratio	1.5:1		

Required:

- a. Current liabilities b. Debt equity ratio
 c. Inventory turnover ratio d. Liquid ratio

Ans: (a) Rs. 2,00,000 (b) 33.33% (c) 6.5 times (d) 1:1

28. 2070 Set D Q.No. 15

Following details are given:

Fixed assets	Rs. 5,00,000	Net profit of the year	Rs. 1,00,000
Closing stock	Rs. 50,000	Creditors	Rs. 1,40,000
Outstanding salary	Rs. 10,000	Sales	Rs. 7,00,000
Current ratio	2:1		

Required:

- a. Current assets b. Inventory turnover ratio
 c. Liquid ratio d. Return on fixed assets

Ans: (a) Rs. 300,000, (b) 14 times (c) 1.67:1, (iv) 20%.

33. 2068 Q.No. 15

The Balance Sheet of a Limited Company as on Chaitra 31 is given below:

Liabilities	Rs.	Assets	Rs.
Equity share capital	5,00,000	Inventory	2,00,000
Profit and Loss a/c	1,00,000	Debtors	3,00,000
7% preference share capital	4,00,000	Bank Balance	80,000
Provision for tax	30,000	Preliminary expenses	20,000
Creditors	1,70,000	Fixed assets	6,00,000
Total	12,00,000	Total	12,00,000

Additional Information:

i. Sales Rs. 10,00,000

ii. Net profit after tax Rs. 2,50,000

Required:

a. Inventory turnover ratio

b. Current ratio

c. Net profit ratio

d. Return on shareholders' equity [1+1.5+1+1.5=5]

Ans: (a) 5 times (b) 2.9:1 (c) 25%; (d) 25.51%

34. 2068 Supp Q.No. 15

The following information are given:

	Rs.		Rs.
Inventory	40,000	Sundry Creditors	70,000
Sundry Debtors	60,000	Bills Receivable	20,000
Cash in hand	20,000	Fixed Assets	1,25,000
Gross Profit	50,000	Sales	2,50,000

Required:

a. Current ratio

b. Quick ratio

c. Fixed assets turnover ratio

d. Inventory turnover ratio e. Gross profit ratio [5]

Ans: (a) 2:1 (b) 1.4286:1 (c) 2 times (d) 5 times (e) 20%

35. 2067 Q.No. 15

The following information are provided:

Credit Sales	Rs.70,000	Cash sales	Rs.2,00,000
Share Capital	Rs.5,00,000	10% Loan	Rs.1,00,000
General Revenue	Rs.25,000	Income Tax are	@ 50%
Preliminary expenses	Rs.5,000	Net Profit after tax	Rs.57,000
Current Ratio	1.75 : 1	Current Assets	Rs.3,50,000

Required:

a. Return on share holder's equity

b. Net profit margin

c. Current liabilities

[2 + 1 + 2 = 5]

Ans: (a) 10.96% (b) 21.11% (c) Rs. 200,000

36. 2067 Supp Q.No. 15

The balance sheet of a Company Ltd. As an Ashadh 31, 2065 is given below:

Liabilities	Rs.	Assets	Rs.
Equity share capital (Rs. 100 per share)	2,00,000	Fixed Assets	2,50,000
10% debentures	1,00,000	Debtors	40,000
General reserve	50,000	Inventory	1,00,000
Retained earnings	20,000	Pre-paid expenses	10,000
Creditors	30,000	Cash	30,000
Outstanding expenses	10,000	Preliminary expenses	10,000
Bills payable	30,000		
Total	4,40,000	Total	4,40,000

Additional Information:

Cost of goods sold Rs. 4,00,000. Net profit after tax Rs. 40,000.

Required:

- a. Current ratio
e. Stock turnover ratio
- b. Quick ratio
e. Earning per share.
- c. Debt-equity ratio
[1×5]
- Ans: (a) 2.57:1 (b) 1:1 (c) 38.46% (d) 4 times (e) Rs. 20

37. 2066 (C) Q.No. 15

The following details are given:

Closing inventory	Rs.1,40,000	Share capital	Rs. 10,00,000
Sundry debtors	Rs.1,00,000	Profit and loss account	Rs.1,00,000
Cash-in-hand	Rs.80,000	10% debentures	Rs.4,00,000
Current ratio	2:1	Sales	Rs. 700,000

Required: Calculate:

- a. Current liabilities
d. Debt to total capital ratio
- b. Quick ratio
e. Inventory turnover ratio
- c. Debt-equity ratio
[5]
- Ans: (a) Rs. 1,60,000 (b) 1.125:1 times (c) 36.36% (d) 26.67% (e) 5 times

38. 2066 Q.No. 15

The following information are given:

Inventory	Rs 20,000	Creditors	Rs. 30,000
Debtors	30,000	Gross profit	25,000
Cash balance	10,000	Bills receivable	10,000
Fixed assets	60,000	Debtors turnover	4 times

Required:

- a. Current ratio
d. Gross profit margin
- b. Quick ratio
e. Inventory turnover ratio
- c. Sales amount
[5]
- Ans: (a) 2.33:1 (b) 1.67:1 (c) Rs. 1,60,000 (d) 15.63% (e) 6.75 or 7 times

39. 2066 Supp Q.No. 15

Balance sheet of P Company Ltd. as on Chaitra 31, last year, is given below.

Liabilities	Rs.	Assets	Rs.
Share Capital	6,00,000	Machinery	6,50,000
Profit & Loss A/c	1,90,000	Furnitures	1,60,000
10% Debentures	3,00,000	Debtors	2,25,000
Creditors	50,000	Bank balance	40,000
Wages- Outstanding	10,000	Inventory	60,000
		Preliminary expenses	10,000
		Advance Salary	5,000
Total	11,50,000	Total	11,50,000

Additional Information:

- i. Cash Sales Rs. 2,50,000
ii. Credit Sales Rs. 5,50,000
iii. Net Profit for the year Rs. 1,50,000

Required:

- a. Liquidity ratio
c. Fixed assets turnover ratio
- b. Debtors turnover ratio
d. Debt equity ratio
- e. Return on assets [1 × 5]
- Ans: (a) CR 5.5:1; Q.R. 4.42:1 (b) 2.44 times (c) 0.99 times (d) 38.46% (e) 15.79%

40. 2065 Q.No. 15

Given below is the balance sheet of D. Co. Ltd as on Chaitra 31.

Liabilities	Rs.	Assets	Rs.
Bills payable	90,000	Sunder debtors	60,000
Interest payable	18,000	Cash balance	33,000
12% Debentures	1,50,000	Short-term loan	30,000
Reserve and surplus	60,000	Inventories	40,000
Equity capital of Rs. 100 each	3,00,000	Machinery	1,25,000
		Land and building	3,25,000
		Preliminary expenses	5,000
Total	6,18,000	Total	6,18,000

Additional information:

Debtors turnover ratio: 10 times

Net profit margin: 15%

Required: (a) Sales amount (b) Liquid ratio (c) Debt equity ratio (d) Average collection period

(e) Earning per share

[5]

Ans: (a) Rs. 6,00,000 (b) 1.14:1 (c) 42.25% (d) 36.5 days (e) Rs. 30

41. 2065 Q.No. 16 (Old)

Balance sheet of A Co. Ltd. as on 31st Chaitra is given below:

Liabilities	Rs.	Assets	Rs.
Shares capital	1,40,000	Land and building	40,000
6% Debentures	50,000	Plant and machinery	44,000
Tax payable	10,000	Stock	90,000
Bank overdraft	32,000	Bills receivable	12,000
Sundry creditors	10,000	Cash in hand	16,000
Outstanding salary	4,000	Cash at bank	30,000
General reserve	6,000	Debtors	40,000
Profit and loss account	24,000	Preliminary expenses	4,000
Total	2,76,000	Total	2,76,000

Net profit after tax and interest for the period Rs.60,000 and sales Rs. 6,00,000.

Required: Calculate:

a. Current ratio

b. Quick ratio

c. Debt to total capital ratio

d. Return on assets

e. Return on shareholder's fund

f. Net profit ratio

[1.5×6]

Ans: (a) 3.36:1 (b) 1.75:1 (c) 23.15% (d) 23.16% (e) 36.14% (f) 10%

42. 2064 Q.No 15

The following information are provided:

Inventory

Rs. 30,000

Bills receivable

Rs. 10,000

Creditors

Rs. 20,000

Fixed assets

Rs. 50,000

Debtors

Rs. 25,000

Debtors turnover

5 times

Cash in hand

Rs. 5,000

Gross profit

Rs. 20,000

Required:

a. Current ratio

b. Quick ratio

c. Sales amount

d. Fixed assets turnover ratio

e. Gross profit margin

[5]

Ans: (a) 3.5:1 (b) 2:1 (c) Rs. 1,75,000 (d) 3.5 times (e) 11.43%

43. 2064 Q.No. 16 (Old)

The current assets of a company are Rs. 5,00,000 which includes stock Rs. 2,00,000 and prepaid Rs. 50,000. The current ratio is 2:1.

Required:

a. Current liabilities

b. Quick assets

c. Quick ratio

[1+1+1]

Ans: (a) Rs. 2,50,000 (b) Rs. 2,50,000 (c) 1:1

44. 2064 Q.No. 17 (Old)

Given below the Balance Sheet of Y Co. Ltd. for the previous year:

Liabilities	Rs.	Assets	Rs.
Share capital of Rs. 100 each	2,50,000	Machinery	1,50,000
Reserve and surplus	65,000	Furniture	1,00,000
10% Debentures	1,25,000	Sundry debtors	50,000
Sundry creditors	40,000	Inventories	1,25,000
Bills payable	85,000	Marketable securities	1,20,000
Outstanding expenses	10,000	Cash	30,000
	5,75,000		5,75,000

Additional information:

i. Inventory turnover ratio 6 times.

ii. Net income after tax Rs. 50,000

Required:

a. Current ratio

b. Debt-equity ratio

c. Sales amount

d. Fixed assets turnover

e. Net profit margin

f. Return on shareholder's equity [1.5×6=9]

Ans: (a) 2.41:1 (b) 39.68% (c) Rs. 7,50,000 (d) 3 times (e) 6.67% (f) 15.87%

45. 2064 Supp. Q.No. 15

The following information are provided:

Gross profit for the year	Rs. 1,70,000	Gross profit margin	20%
Inventory	Rs. 75,000	Accounts payable	Rs. 20,000
Bills payable	Rs. 15,000	Bank overdraft	Rs. 15,000
Accounts receivable	Rs. 20,000	Cash at bank	Rs. 10,000
Share capital	Rs. 2,00,000	General reserve	Rs. 50,000
Retained earning	Rs. 20,000	Net profit margin	Rs. 10%

Required:

- a. Current ratio
b. Sales amount
c. Inventory turnover ratio
d. Net profit
e. Return on shareholder's equity [5]

Ans: (a) 2.1:1 (b) Rs. 8,50,000 (c) 9.07 times (d) Rs. 85,000 (e) 31.48%

46. 2063 Q.No. 16

Following information of a company is given below:

Equity share capital of Rs. 100 each	- Rs. 600,000
10% preference share capital of Rs. 100 each	- Rs. 200,000
Profit before tax	- Rs. 60,000
Tax rate	- 25%

Required:

- a. Return on owner's equity
b. Return on common shareholders' equity. [1.5×2]

Ans: (a) 5.625% (b) 4.167%

47. 2063 Q.No. 17

Given below is the balance sheet of A.B. Company Ltd. for the previous year:

Liabilities	Rs.	Assets	Rs.
Equity share capital	300,000	Fixed assets (net)	400,000
7% preference share capital	200,000	Stock in trade	100,000
Reserve	10,000	Debtors	80,000
Retained earnings	40,000	Cash	40,000
8% debentures	120,000	Prepaid expenses	80,000
Sundry creditors	30,000		

Additional Information

- (i) Total sales for the year: Rs. 10,00,000, Credit sales: Rs. 800,000
(ii) Income before tax: Rs. 100,000
(iii) Income tax rate: 25%

Required:

- a. Current ratio
b. Quick ratio
c. Debt equity ratio
d. Net profit margin
e. Fixed assets turnover ratio
f. Debtors turnover ratio [1.5×6]

Ans: (a) 10:1 (b) 4:1 (c) 21.82% (d) 7.5% (e) 2.5 times (f) 10 times

48. 2062 Q.No. 16

If, Current Assets are Rs. 2,00,000; Current Ratio is 5 times, and Liquid Ratio is 2 times.

Required:

- a. Current liabilities
b. Liquid assets [2×1.5]

Ans: (a) Rs. 40,000 (b) 80,000

49. 2062 Q.No. 17

Given below is the Balance Sheet of A Company Ltd. for the previous year.

Liabilities	Rs.	Assets	Rs.
Share capital paid up	150,000	Fixed assets	80,000
Reserve	60,000	Stock in trade	180,000
Retained earning	26,000	Debtors	170,000
7% debenture	60,000	Cash	16,000
Current liabilities	150,000		
Total	446,000		446,000

Additional information:

- i. Sales for the year: Cash sale Rs. 30,000; Credit sale Rs. 720,000

54. 2060 SUPP. Q.No. 8

Following information were extracted from the financial statements of the company at the end of the year 2056.

Sales for the year	Rs.	Inventories	Rs.
Creditors	4,50,000	8% debentures	1,21,350
Fixed assets	82,350	Other current assets	99,000
Share capital	2,38,500	Net profit for the year	90,150
Profit and loss a/c (Cr.)	1,20,000	Bank overdraft	22,350
	96,300		30,000

Required:

- a. Stock turnover ratio b. Debt-equity ratio c. quick ratio
 d. Return on assets e. Fixed assets turnover ratio f. Return on shareholders equity [10]

Ans: (a) 3.71 times (b) 45.8% (c) 0.8:1 (d) 6.73% (e) 1.89 times (f) 10.33%

8. FUNDS FLOW STATEMENT**THEORETICAL QUESTIONS****1. 2073 Set C Q.No. 4**

Define funds flow statement.

कोष प्रवाह विवरणको परिभाषा दिनुहोस् ।

[2]

2. 2073 Set D Q.No. 4

Clarify the meaning of funds from operation.

सञ्चालनबाट प्राप्त कोषको अर्थ खुलाउनुहोस् ।

[2]

3. 2072 Set E Q.No. 4

Clarify the meaning of funds from operation.

सञ्चालनबाट प्राप्त कोषको अर्थ स्पष्ट लेख्नु होस् ।

[2]

4. 2068 Q.No. 4

Write the meaning of funds from operation.

सञ्चालनबाट प्राप्त कोषको अर्थ लेख्नुहोस् ।

[2]

5. 2064 Supp Q.No. 4

What do you mean by funds flow analysis?

कोष प्रवाह विश्लेषण भन्नाले के बुझ्नुहुन्छ ?

[2]

NUMERICAL PROBLEMS**6. 2073 Set C Q.No. 16**

The following assets and liabilities are extracted from two years balance sheet:

Particulars	Year 1	Year 2
Cash	Rs. 75,000	Rs. 73,000
Debtors	Rs. 35,000	Rs. 30,000
Creditors	Rs. 12,000	Rs. 15,000
Bills payable	Rs. 8,000	Rs. 5,000

Additional information:

- i. Purchases of machinery Rs. 48,000
 ii. Payment of loan Rs. 50,000
 iii. Issued of shares Rs. 50,000
 iv. Dividend paid Rs. 10,000

Required:

- a. Schedule of changes in working capital b. Funds flow statement [3+2=5]

Ans: (a) Decrease in WC Rs. 7,000 (b) Total Rs. 108,000

7. 2073 Set D Q.No. 16

Following information are given:

Particulars	Year 1 (Rs.)	Year 2 (Rs.)
Inventories	80,000	1,00,000
Debtors	2,50,000	2,00,000
General reserve	20,000	40,000
Creditors	70,000	1,00,000
Cash	1,00,000	1,40,000
Expenses payable	20,000	25,000

Additional Information:

- Profit of the year Rs. 80,000
- Depreciation on fixed assets Rs. 20,000
- Provision for tax Rs. 10,000
- Profit on sales of fixed assets Rs. 5,000

Required:

- Schedule of changes in working capital
- Funds from operation [3+2=5]
Ans: (a) Decrease in WC Rs. 25,000 (b) Funds from operation Rs. 105,000

8. 2072 Supp Q.No. 16

The following figures are extracted from the two years balance sheet of a company:

Particulars	Year 1	Year 2
Share capital	Rs. 5,00,000	Rs. 6,00,000
Fixed assets	Rs. 1,00,000	Rs. 1,50,000
Goodwill	Rs. 10,000	Rs. 5,000

Additional Information:

- Net profit Rs. 75,000
- Depreciation Rs. 10,000
- Purchases of fixed assets Rs. 70,000
- Sale of fixed assets Rs. 8,000
- Loss on fixed assets sales Rs. 2,000

Required:

- Funds from operation
- Funds flow statement [2+3]
Ans: (a) Rs. 92,000 (b) Increase in WC Rs. 130,000

9. 2072 Set C Q.No. 16

Following figures are extracted from the two years Balance Sheet of a company:

Particulars	(Year 1) Rs.	(Year 2) Rs.
Debtors	12,000	27,000
Cash	10,000	20,000
Share capital	1,30,000	2,00,000
Long term loan	1,20,000	1,20,000
Creditors	22,000	12,000

Additional information:

- Fixed assets were purchased for Rs. 70,000.

Required :

- Schedule of changes in working capital
- Funds flow statement [2+3=5]
Ans: (a) Increase in WC = Rs. 35,000 (b) FFS = Rs. 105,000; FFO = Rs. 35,000

10. 2072 Set D Q.No. 16

Following figures are extracted from the two years Balance Sheet of a company:

Particulars	(Year 1) Rs.	(Year 2) Rs.
Share capital	3,00,000	3,50,000
10% debentures	1,50,000	1,00,000
Profit and loss account	40,000	80,000
Goodwill	12,000	10,000

Additional information :

- i. Dividend paid for 2nd year Rs.25,000
 ii. Depreciation charged Rs.15,000
 iii. Fixed assets purchased during second year Rs.60,000

Required:

- a. Funds from operation

- b. Funds flow statement

[2+3=5]

Ans: FFO = Rs. 82,000, FFS = Rs. 122,000, Decrease in WC = Rs. 3,000

11. 2072 Set E Q.No. 16

The following figures are extracted from the two years balance sheet of a company:

Particulars	(Year 1) Rs.	(Year 2) Rs.
Creditors	40,000	50,000
Currents assets	1,00,000	1,50,000
Expenses due	10,000	5,000
Share capital	5,00,000	6,00,000
Fixed assets	3,00,000	3,50,000
Loan	2,00,000	1,60,000

Required:

[2+3=5]

- a. Schedule of changes in working capital.
 b. Funds flow statement

Ans: (a) Increase in WC = Rs. 45,000 (b) FFS = Rs. 135,000, FFO = Rs. 35,000

12. 2071 Supp Q.No. 16

The following information are provided :

- Net profit of the year: Rs.100,000
 Issue of share capital : Rs.100,000
 Depreciation on assets: Rs.50,000
 Purchased of fixed assets : Rs.50,000
 Goodwill written off: Rs.5,000

Additional information

A part of fixed assets costing Rs. 10,000 with book value of Rs.5000 was sold for Rs.8,000.

Required :

- a. Funds from operation

- b. Funds Flow Statement

[3+2]

Ans: FFO = Rs. 152,000, FFS = Rs. 260,000, Increase In WC = Rs. 210,000

13. 2071 Set C Q.No. 16

The following figures are extracted from the two years balance sheet of a company.

Liabilities	Last year (Rs.)	This year (Rs.)	Assets	Last year (Rs.)	This year (Rs.)
Share capital	3,00,000	4,00,000	Goodwill	10,000	5,000
Profit & loss a/c	40,000	60,000	Bank Balance	1,00,000	1,50,000
Reserve fund	20,000	30,000	Debtors	80,000	70,000
7% Debenture	1,50,000	1,00,000	Machinery	3,50,000	4,00,000
Creditors	30,000	35,000			
Total	5,40,000	6,25,000	Total	5,40,000	6,25,000

Additional Information:

Depreciation charged on Machinery during the year was Rs 35,000 and value of additional machinery purchased worth Rs. 85,000.

Funds from operation: Rs. 70,000

Required:

[2+3=5]

- a. Schedule of changes in working capital b. Funds flow statement

Ans: (a) Increase in WC Rs. 35,000 (b) Total Rs. 170,000