National Testing Agency

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Financial Accounting and Analysis

Group Number :	1
Group Id :	899514197
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Group Marks :	100
Is this Group for Examiner? :	No

Financial Accounting and Analysis-1

Section Id :	899514270
Section Number :	1
Section type :	Online
Mandatory or Optional :	Mandatory
Number of Questions :	5
Number of Questions to be attempted :	5

Section Marks :	5
Mark As Answered Required? :	Yes
Sub-Section Number :	1
Sub-Section Id :	899514315
Question Shuffling Allowed :	Yes

Question Number : 1 Question Id : 89951416766 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 1 Wrong Marks : 0

Money invested by the owner of the business is recorded under the head capital or owner's equity. This represents the _____.

1. Cost concept
2. Going concern concept
3. Entity concept
4. Matching concept

Options :

89951465459. 1
89951465460. 2
89951465461. 3
89951465462. 4

Question Number : 2 Question Id : 89951416767 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 1 Wrong Marks : 0

Mac Co. deals in buying and selling widgets. During the year, the company purchased widgets worth Rs. 50,000. The company sold widgets costing Rs.45,000. The accountant of the company charged Rs. 50,000 as cost of goods sold. Which accounting concept did he violate?

1. Money measurement concept
2. Materiality concept
3. Matching concept
4. Entity concept

Options :

89951465463. 1
89951465464. 2

89951465465. 3
89951465466. 4

Question Number : 3 Question Id : 89951416768 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 1 Wrong Marks : 0

Who among the following is not the external user of accounting information?

1. Banker
2. Investor
3. Management
4. Regulator

Options :

89951465467. 1
89951465468. 2
89951465469. 3
89951465470. 4

Question Number : 4 Question Id : 89951416769 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 1 Wrong Marks : 0

Which of the following can be identified as asset(s)?

I. Fees earned
II. Land
III. Trade Payables
IV. Interest Income
V. Prepaid insurance
VI. Plant and Machinery

1. I, II and III
2. II, III and IV
3. IV, V and VI
4. II, V and VI

Options :

89951465471. 1
89951465472. 2
89951465473. 3
89951465474. 4

Question Number : 5 Question Id : 89951416770 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 1 Wrong Marks : 0

Received cash for providing services Rs.12,000. What is the effect of this transaction on the accounting equation of a company?

1. Increase in asset, increase in liabilities
2. Increase in asset, increase in equity

3. Decrease in asset, decrease in liabilities

4. Increase in asset, decrease in liabilities

Options :

89951465475. 1
89951465476. 2
89951465477. 3
89951465478. 4

Financial Accounting and Analysis-2

Section Id :	899514271
Section Number :	2
Section type :	Online
Mandatory or Optional :	Mandatory
Number of Questions :	6
Number of Questions to be attempted :	6
Section Marks :	12
Mark As Answered Required? :	Yes
Sub-Section Number :	1

Sub-Section Id : 899514316
Question Shuffling Allowed : Yes

Question Number : 6 Question Id : 89951416771 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 2 Wrong Marks : 0

Which of the following is generally NOT a current asset?
1. Inventory
2. Land
3. Cash and cash equivalents
4. Trade receivable

Options :
89951465479. 1
89951465480. 2
89951465481. 3
89951465482. 4

Question Number : 7 Question Id : 89951416772 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 2 Wrong Marks : 0

Which of the following equation is correct?
1. Assets = Liabilities – Equity
2. Assets = Equity – Liabilities
3. Assets = Liabilities + Equity
4. Assets = Liabilities + 2Equity

Options :
89951465483. 1
89951465484. 2
89951465485. 3
89951465486. 4

Question Number : 8 Question Id : 89951416773 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 2 Wrong Marks : 0

The company borrowed Rs. 50,000 from a lender on 30.11.2018 payable in 6 months. This would form part of _____ in the balance sheet as on 31.3.19.

1. Non-current Liabilities
2. Current Liabilities
3. Owners' Equity
4. Liabilities of its competitors

Options :

89951465487. 1
89951465488. 2
89951465489. 3
89951465490. 4

Question Number : 9 Question Id : 89951416774 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 2 Wrong Marks : 0

John wants to know the cash receipts and cash payments for his business for the last three months. Which financial statement would help him find the details?

1. Balance Sheet
2. Cash Flow Statement
3. Income Statement
4. All of the above

Options :

89951465491. 1
89951465492. 2
89951465493. 3
89951465494. 4

Question Number : 10 Question Id : 89951416775 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No

Correct Marks : 2 Wrong Marks : 0

A company paid an annual insurance premium of Rs. 12,000 covering 12-month period from 1st July 2018 to 30th June 2019. Determine the amount to be reported as insurance expense for the year ended 31st March 2019?

1. Rs. 3,000
2. Rs. 12,000
3. Rs. 9,000
4. Rs. 6,000

Options :

89951465495. 1
89951465496. 2
89951465497. 3
89951465498. 4

Question Number : 11 Question Id : 89951416776 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 2 Wrong Marks : 0

The following is the selected financial information of a company as on 31st March 2019

Salary payable	Rs.15,000
Advance received from customers	Rs.10,000
Long-term borrowings	Rs.20,000
Interest receivable	Rs.20,000

Based on the above information, determine the amount of total liabilities to be reported by the firm on 31st March 2019

1. Rs.15,000
2. Rs.10,000
3. Rs.45,000
4. Rs.35,000

Options :

89951465499. 1
89951465500. 2
89951465501. 3
89951465502. 4

Financial Accounting and Analysis-3

Section Id :	899514272
Section Number :	3
Section type :	Online
Mandatory or Optional :	Mandatory
Number of Questions :	7
Number of Questions to be attempted :	7
Section Marks :	14
Mark As Answered Required? :	Yes
Sub-Section Number :	1
Sub-Section Id :	899514317
Question Shuffling Allowed :	Yes

Question Number : 12 Question Id : 89951416777 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 2 Wrong Marks : 0

Find the missing values (A to G) of the Table given below:

Selected Balance Sheet values of a company for the two recent years appear below:

Assets	Year 3	Year 4
Current Assets	8435	? (D)[a]
Fixed Assets (net book value)	? (A)	? (E)
Total Assets	? (B)	24025
Current Liabilities	6733	7642
Long-term borrowings	5999	? (F)
Equity Share Capital	? (C)	1149
Retained earnings	6719	7922
Total Liabilities & equity	20468	? (G)

[a] Current Assets – Current Liabilities = Rs.1724 lakhs

Answer the following questions based on the table above.

Options :

89951465503. 1

89951465504. 2

89951465505. 3

89951465506. 4

Question Number : 13 Question Id : 89951416778 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 2 Wrong Marks : 0

The value of fixed assets (net book value) – missing figure A is:

1.13,034
2.12,033
3.14,098
4.15,065

Options :
89951465507. 1
89951465508. 2
89951465509. 3
89951465510. 4

Question Number : 14 Question Id : 89951416779 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 2 Wrong Marks : 0

The value of total assets – missing figure B is :

1.13,048
2.18,078

3. 20,468

4. 25,065

Options :
89951465511. 1
89951465512. 2
89951465513. 3
89951465514. 4

Question Number : 15 Question Id : 89951416780 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No

Correct Marks : 2 Wrong Marks : 0

The value of equity share capital – missing figure C is

1. 1045
2. 1456
3. 1017
4. 2550

Options :

89951465515. 1
89951465516. 2
89951465517. 3
89951465518. 4

Question Number : 16 Question Id : 89951416781 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No
Correct Marks : 2 Wrong Marks : 0

The value of current assets – missing figure D is

1. 6045
2. 7866
3. 3456
4. 9366

Options :

89951465519. 1
89951465520. 2
89951465521. 3
89951465522. 4

Question Number : 17 Question Id : 89951416782 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No

Correct Marks : 2 Wrong Marks : 0

The value of fixed assets (net book value) – missing figure E is

1. 16045
2. 17866
3. 13657
4. 14659

Options :

89951465523. 1
89951465524. 2
89951465525. 3
89951465526. 4

Question Number : 18 Question Id : 89951416783 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No
Correct Marks : 2 Wrong Marks : 0

The value of long-term borrowings – missing figure F is

1. 8045
2. 7312
3. 6657
4. 7659

Options :

89951465527. 1
89951465528. 2
89951465529. 3
89951465530. 4

Financial Accounting and Analysis-4

Section Id : 899514273

Section Number :	4
Section type :	Online
Mandatory or Optional :	Mandatory
Number of Questions :	33
Number of Questions to be attempted :	33
Section Marks :	66
Mark As Answered Required? :	Yes
Sub-Section Number :	1
Sub-Section Id :	899514318
Question Shuffling Allowed :	Yes

Question Number : 19 Question Id : 89951416784 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 2 Wrong Marks : 0

The value of total liabilities and equity – missing figure G is

1. 28045
2. 24025
3. 16657
4. 27659

Options :

89951465531. 1
89951465532. 2
89951465533. 3
89951465534. 4

Question Number : 20 Question Id : 89951416785 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 2 Wrong Marks : 0

ABC Co. has imported a machine from France. Which of the following is NOT the element of machine's cost?

1. Invoice price of machine

2. Custom duty

3. Freight charges

4. Penalty paid on customs duty

Options :

89951465535. 1
89951465536. 2
89951465537. 3
89951465538. 4

Question Number : 21 Question Id : 89951416786 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 2 Wrong Marks : 0

The company purchased equipment on 1st May 2019 costing Rs.100,000 from a dealer on credit, amount payable after three months. The useful life of the asset is estimated at 10 years with a salvage value of Rs.5,000. What would be the effect of this transaction on the accounting equation on the purchase of the equipment?

1. Assets will increase by 100,000, Liabilities will increase by 100,000

2. Assets will increase by 100,000, Liabilities will increase by 90,000, Equity will increase by 10,000

3.Assets will increase by 100,000, Liabilities will increase by 90,500, Equity will increase by 9500

4. Assets will increase by 90,500, Liabilities will increase by 100,000, Equity will decrease by 9500

Options :

89951465539. 1
89951465540. 2
89951465541. 3
89951465542. 4

Question Number : 22 Question Id : 89951416787 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 2 Wrong Marks : 0

Furniture is _____ asset for a steel manufacturer and furniture is _____ asset for a furniture dealer.

1. Current, Non-Current
2. Non-Current, Intangible
3. Non-Current, Current
4. Intangible, Current

Options :

89951465543. 1
89951465544. 2
89951465545. 3
89951465546. 4

Question Number : 23 Question Id : 89951416788 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 2 Wrong Marks : 0

ABC Co. wanted to purchase a high ending fabricating equipment. Bric & Co. dealer of equipment quoted Rs. 100,000. Both the companies then negotiated and agreed at a price of Rs. 75,000. At what price, ABC Co should record the equipment in the books?

1. Rs. 100,000
2. Rs. 175,000
3. Rs. 75,000
4. Rs. 50,000

Options :

89951465547. 1
89951465548. 2
89951465549. 3
89951465550. 4

Question Number : 24 Question Id : 89951416789 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No

Correct Marks : 2 Wrong Marks : 0

Which of the following item(s) will be categorised as asset to a company?

I. Rent due but not paid
II. Rent paid in advance
III. Rent accrued but not received
IV. Rent received in advance

1. I and II
2. II and III
3. III and IV
4. I and IV

Options :

89951465551. 1
89951465552. 2
89951465553. 3
89951465554. 4

Question Number : 25 Question Id : 89951416790 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 2 Wrong Marks : 0

The accountant of a company recorded advance received from customer Rs. 8000 as revenue for the year. Further, revenue earned Rs. 10,000 from services rendered by the firm has not been billed yet. As a result of the above error, the revenue of the company is

1. Understated by Rs. 8,000
2. Overstated by Rs. 10,000
3. Understated by Rs. 8000
4. Understated by Rs. 2000

Options :

89951465555. 1
89951465556. 2
89951465557. 3

89951465558. 4

Question Number : 26 Question Id : 89951416791 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 2 Wrong Marks : 0

The following information has been extracted from the balance sheet of a company as at 31st March 2019 and 31st March 2019

As at	**31st March 2018**	**31st March 2019**
Total Assets	Rs. 300,000	Rs. 500,000
Total liabilities	Rs. 125,000	Rs.250,000

Based on the above information, determine the profit of the company earned during the year ended 31st March 2019 assuming there was no additional capital or dividend issued during the year ended 31st March 2019.

(Hint: Use the Accounting Equation)

1. Rs. 200,000
2. Rs. 125,000
3. Rs.75,000
4. Rs. 175,000

Options :

89951465559. 1
89951465560. 2
89951465561. 3
89951465562. 4

Question Number : 27 Question Id : 89951416792 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 2 Wrong Marks : 0

Rent expense for the month of March 2019 was due but paid in the next month. How should the item be treated in the financial statements ending 31ST March 2019?

1. Treated as income in the profit and loss statement
2. Treated as advance received
3. Treated as expenses and liability created
4. Expenses paid in advance

Options :

89951465563. 1
89951465564. 2
89951465565. 3
89951465566. 4

Question Number : 28 Question Id : 89951416793 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 2 Wrong Marks : 0

ABC company has the following purchases, sales and inventory for the month of August 2019		
Inventory Purchases on	Units	Cost per unit (Rs)
Aug-01	100	5
Aug-06	500	6
Aug-12	300	7
Sale of Inventory		
Aug-18	450	10

Calculate the value of closing stock as per first in first out (FIFO) method

1. Value of closing stock is 2100
2. Value of closing stock is 2400
3. Value of closing stock is 3000
4. Value of closing stock is 2700

Options :

89951465567. 1

89951465568. 2

89951465569. 3

89951465570. 4

Question Number : 29 Question Id : 89951416794 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 2 Wrong Marks : 0

The accumulated depreciation on equipment as on 31st March 2018 and 31st March 2019 is Rs.5,000 and Rs.5,445 respectively. What is the amount of depreciation charged during the year ended 31st March 2019? No equipment was sold during the year.

1. Rs.500
2. Rs.450
3. Rs.445
4. Rs.455

Options :

89951465571. 1
89951465572. 2
89951465573. 3
89951465574. 4

Question Number : 30 Question Id : 89951416795 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 2 Wrong Marks : 0

A company purchases machinery for Rs.5,50,000. It estimates that the equipment will have a salvage value of Rs.50,000 and its useful life will be 5 years. Calculate the amount of depreciation to be charged every year, assuming the company follows straight-line depreciation.

1. Rs.100,000
2. Rs.90,000
3. Rs.106,000
4. Rs.94,000

Options :

89951465575. 1
89951465576. 2
89951465577. 3
89951465578. 4

Question Number : 31 Question Id : 89951416796 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 2 Wrong Marks : 0

A company's inventories and purchases information for the year ended 31st March 2019 is as follows:

Opening inventories 1 April 2018	Rs.	20,000
Purchases during the year		162,000
Closing inventories 31 March 2019		18,000

What is the cost of goods sold during the year ended 31st March 2019?

1. Rs.172,000
2. Rs.164,000
3. Rs.187,000
4. Rs.177,000

Options :

89951465579. 1
89951465580. 2
89951465581. 3
89951465582. 4

Question Number : 32 Question Id : 89951416797 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 2 Wrong Marks : 0

Which of the following is an example of current asset?

I. Amounts receivable within 8 months
II. Borrowings to be paid within 6 months
III. Equipment in the factory
IV. Inventory held for sale

1. I and II
2. II and III
3. I and IV
4. II and IV

Options :

89951465583. 1
89951465584. 2
89951465585. 3
89951465586. 4

Question Number : 33 Question Id : 89951416798 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 2 Wrong Marks : 0

ABC Ltd did not record bank receipts of Rs. 200,000 from a customer on account of sales made earlier in its books. The effect of this error on Profit and loss statement is:

1. Profit will increase by Rs.200,000
2. No impact on profit and loss statement
3. Profit will reduce by Rs. 200000
4. None of the above

Options :

89951465587. 1
89951465588. 2
89951465589. 3
89951465590. 4

Question Number : 34 Question Id : 89951416799 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No

Correct Marks : 2 Wrong Marks : 0

An entity reported cost of goods sold Rs.210,000 during the year ended 31st March 2019. The company has earned a gross profit of 30% on sales. Determine the amount of revenue earned during the year.

1. Rs.1 lakh
2. Rs. 2 lakhs
3. Rs. 3 lakhs
4. Rs.4 lakhs

Options :

89951465591. 1
89951465592. 2
89951465593. 3
89951465594. 4

Question Number : 35 Question Id : 89951416800 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 2 Wrong Marks : 0

The summary of accounts of ABC Co. for the year ended 31st March 2018 are as follows:

Revenue	Rs. 100,000
Cost of goods sold	60,000
Operating expenses	10,000
Interest expense	5,000

Using the above information, determine the operating profit earned by the company during the year.

1. Rs. 40,000
2. Rs. 25,000
3. Rs. 30,000
4. Rs. 85,000

Options :
89951465595. 1
89951465596. 2
89951465597. 3
89951465598. 4

Question Number : 36 Question Id : 89951416801 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 2 Wrong Marks : 0

Which of the following activity is classified as cash flow from investing activity?

I. Sale of goods and services
II. Purchase of land
III. Interest received on investments
IV. Issue of shares

1. I and II
2. II and III
3. III and IV
4. I and IV

Options :
89951465599. 1
89951465600. 2
89951465601. 3
89951465602. 4

Question Number : 37 Question Id : 89951416802 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 2 Wrong Marks : 0

Which of the following statement is not correct

1. Cash flow statement reports the cash balance as at the end of a period.
2. Cash flow statement reports the cash flows arising from operating, investing and financing activities
3. Cash flow statement reports the changes in net income during a period
4. Cash flow statement helps the user to assess the ability of the firm to generate cash.

Options :
89951465603. 1
89951465604. 2
89951465605. 3
89951465606. 4

Question Number : 38 Question Id : 89951416803 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 2 Wrong Marks : 0

Below is the Income Statement and Balance Sheet of ABC Co. for the year 2018.

Income Statement for the year ended 31st March 2018	**Rs.**
Revenue	1,50,000
Less: Cost of goods sold	70000
Gross profit	80,000
Operating expenses	30000
Earnings before interest and tax	50,000
Interest expense	12,000
Earnings before tax	38,000
Tax	12000
Net income (Profit after Tax)	26,000

The gross profit margin for the year 2018 is

1. 49.33%
2. 50.33%
3. 53.33%
4. 51.33%

Options :

89951465607. 1
89951465608. 2
89951465609. 3

89951465610. 4

Question Number : 39 Question Id : 89951416804 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 2 Wrong Marks : 0

Below is the Income Statement and Balance Sheet of ABC Co. for the year 2018.

Income Statement for the year ended 31st March 2018	**Rs.**
Revenue	1,50,000
Less: Cost of goods sold	70000
Gross profit	80,000
Operating expenses	30000
Earnings before interest and tax	50,000
Interest expense	12,000
Earnings before tax	38,000
Tax	12000
Net income (Profit after Tax)	26,000

The net profit margin for the year 2018 is

1. 20.33%
2. 17.33%
3. 15.33%
4. 18.33%

Options :

89951465611. 1
89951465612. 2
89951465613. 3
89951465614. 4

Question Number : 40 Question Id : 89951416805 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 2 Wrong Marks : 0

High gross profit margin implies

I. High revenues
II. Low production costs
III. High cost of goods sold
IV. Efficient operations

Select the best correct option from the following

1. I and II
2. II and IV
3. III and IV
4. I and IV

Options :
89951465615. 1
89951465616. 2
89951465617. 3
89951465618. 4

Question Number : 41 Question Id : 89951416806 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 2 Wrong Marks : 0

The revenue of the company increased by 30% in 2019 as compared to 2018. This is an example of

1. Ratio analysis
2. Common size analysis
3. Vertical analysis
4. Horizontal analysis

Options :

89951465619. 1

89951465620. 2

89951465621. 3

89951465622. 4

Question Number : 42 Question Id : 89951416807 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 2 Wrong Marks : 0

The following is the balance sheet of a company as at 31st March 2019.

Balance Sheet as at 31st March 2019

Assets	Rs.
Property, plant and equipment	100,000
Current assets	30,000
Total assets	**130,000**
Liabilities and equity	
Long-term borrowings	20,000
Equity capital	70,000
Retained earnings	40,000
Total liabilities and equity	**130,000**

If the company goes for preparing common size balance sheet,

i) Property, plant and equipment would be reported as

1. 70%
2. 76.92%
3. 80%
4. 75.85%

Options :

89951465623. 1
89951465624. 2
89951465625. 3
89951465626. 4

Question Number : 43 Question Id : 89951416808 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 2 Wrong Marks : 0

The following is the balance sheet of a company as at 31st March 2019.

Balance Sheet as at 31st March 2019

Assets	Rs.
Property, plant and equipment	100,000
Current assets	30,000
Total assets	**130,000**
Liabilities and equity	
Long-term borrowings	20,000
Equity capital	70,000
Retained earnings	40,000
Total liabilities and equity	**130,000**

If the company goes for preparing common size balance sheet,

Long-term borrowings would be reported as

1. 25%
2. 15.38%
3. 20%
4. 18.55%

Options :

89951465627. 1
89951465628. 2
89951465629. 3
89951465630. 4

Question Number : 44 Question Id : 89951416809 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 2 Wrong Marks : 0

The following are the income statement and balance sheet of Rainbow Co.

Income Statement for the year ended Dec 31	2019	2018
Figures in rupees		
Revenue	5,00,000	320,000
Cost of goods sold	340,000	208,000
Gross profit	**160,000**	**112,000**
Operating expenses	105,500	73,280
Profit before tax	**54,500**	**38,720**
Income tax expense	30,000	17,600
Net profit	**24,500**	**21,120**

Balance Sheet as at Dec 31,	**2019**	**2018**
Assets		
Property, plant and equipment (net)	234,300	217,300
Trade Receivables	42,500	32,500
Inventories	75,000	50,000
Cash	32,500	17,500
Total assets	**384,300**	**317,300**
Liabilities and equity		
Long term borrowings	121,000	80,000
Current liabilities	75,000	65,000
Total liabilities	**196,000**	**145,000**
Equity		

Equity capital	100,000	100,000
Retained earnings	88,300	72,300
Total equity	**188,300**	**172,300**
Total liabilities and equity	**384,300**	**317,300**

Determine the following ratio for the year 2019.

Current ratio

1. 3
2. 1
3. 2
4. 4

Options :

89951465631. 1

89951465632. 2

89951465633. 3

89951465634. 4

Question Number : 45 Question Id : 89951416810 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 2 Wrong Marks : 0

The following are the income statement and balance sheet of Rainbow Co.

Income Statement for the year ended Dec 31	2019	2018
Figures in rupees		
Revenue	5,00,000	320,000
Cost of goods sold	340,000	208,000
Gross profit	**160,000**	**112,000**
Operating expenses	105,500	73,280
Profit before tax	**54,500**	**38,720**
Income tax expense	30,000	17,600
Net profit	**24,500**	**21,120**

Balance Sheet as at Dec 31,	2019	2018
Assets		
Property, plant and equipment (net)	234,300	217,300
Trade Receivables	42,500	32,500
Inventories	75,000	50,000
Cash	32,500	17,500
Total assets	**384,300**	**317,300**
Liabilities and equity		
Long term borrowings	121,000	80,000
Current liabilities	75,000	65,000
Total liabilities	**196,000**	**145,000**
Equity		
Equity capital	100,000	100,000
Retained earnings	88,300	72,300
Total equity	**188,300**	**172,300**
Total liabilities and equity	**384,300**	**317,300**

Determine the following ratio for the year 2019.

Quick ratio

1. 2
2. 1.5
3. 1
4. 2.5

Options :

89951465635. 1

89951465636. 2

89951465637. 3

89951465638. 4

Question Number : 46 Question Id : 89951416811 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 2 Wrong Marks : 0

The following are the income statement and balance sheet of Rainbow Co.

Income Statement for the year		

ended Dec 31	2019	2018
Figures in rupees		
Revenue	5,00,000	320,000
Cost of goods sold	340,000	208,000
Gross profit	**160,000**	**112,000**
Operating expenses	105,500	73,280
Profit before tax	**54,500**	**38,720**
Income tax expense	30,000	17,600
Net profit	**24,500**	**21,120**

Balance Sheet as at Dec 31,	**2019**	**2018**
Assets		
Property, plant and equipment (net)	234,300	217,300
Trade Receivables	42,500	32,500
Inventories	75,000	50,000
Cash	32,500	17,500
Total assets	**384,300**	**317,300**
Liabilities and equity		
Long term borrowings	121,000	80,000
Current liabilities	75,000	65,000
Total liabilities	**196,000**	**145,000**
Equity		
Equity capital	100,000	100,000
Retained earnings	88,300	72,300
Total equity	**188,300**	**172,300**
Total liabilities and equity	**384,300**	**317,300**

Determine the fixed asset turnover ratio for the year 2019. (use average)

1. 2.51
2. 2.21
3. 2.56
4. 2.35

Options :

89951465639. 1

89951465640. 2

89951465641. 3
89951465642. 4

Question Number : 47 Question Id : 89951416812 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 2 Wrong Marks : 0

The following are the income statement and balance sheet of Rainbow Co.

Income Statement for the year ended Dec 31	2019	2018
Figures in rupees		
Revenue	5,00,000	320,000
Cost of goods sold	340,000	208,000
Gross profit	**160,000**	**112,000**
Operating expenses	105,500	73,280
Profit before tax	**54,500**	**38,720**
Income tax expense	30,000	17,600
Net profit	**24,500**	**21,120**

Balance Sheet as at Dec 31,	**2019**	**2018**
Assets		
Property, plant and equipment (net)	234,300	217,300
Trade Receivables	42,500	32,500
Inventories	75,000	50,000
Cash	32,500	17,500
Total assets	**384,300**	**317,300**
Liabilities and equity		
Long term borrowings	121,000	80,000
Current liabilities	75,000	65,000
Total liabilities	**196,000**	**145,000**
Equity		
Equity capital	100,000	100,000
Retained earnings	88,300	72,300
Total equity	**188,300**	**172,300**
Total liabilities and equity	**384,300**	**317,300**

Determine the inventory turnover ratio for the year 2019. (use average)

1. 4.45
2. 4.54
3. 4.86
4. 6.45

Options :

89951465643. 1
89951465644. 2
89951465645. 3
89951465646. 4

Question Number : 48 Question Id : 89951416813 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 2 Wrong Marks : 0

The following are the income statement and balance sheet of Rainbow Co.

Income Statement for the year ended Dec 31	2019	2018
Figures in rupees		
Revenue	5,00,000	320,000
Cost of goods sold	340,000	208,000
Gross profit	**160,000**	**112,000**
Operating expenses	105,500	73,280
Profit before tax	**54,500**	**38,720**
Income tax expense	30,000	17,600
Net profit	**24,500**	**21,120**

Balance Sheet as at Dec 31,	**2019**	**2018**
Assets		

Property, plant and equipment (net)	234,300	217,300
Trade Receivables	42,500	32,500
Inventories	75,000	50,000
Cash	32,500	17,500
Total assets	**384,300**	**317,300**
Liabilities and equity		
Long term borrowings	121,000	80,000
Current liabilities	75,000	65,000
Total liabilities	**196,000**	**145,000**
Equity		
Equity capital	100,000	100,000
Retained earnings	88,300	72,300
Total equity	**188,300**	**172,300**
Total liabilities and equity	**384,300**	**317,300**

Determine the Return on assets ratio for the year 2019. (use average)

1. 3.65%
2. 4.85%
3. 6.98%
4. 7.65%

Options :

89951465647. 1

89951465648. 2

89951465649. 3

89951465650. 4

Question Number : 49 Question Id : 89951416814 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 2 Wrong Marks : 0

A high inventory holding period indicates

I. The company is taking more time to sell its inventory
II. The company's inventory stock is piling up
III. The inventory is sold out quickly
IV. Suppliers are delaying the supply of materials

1. I and II
2. II and III
3. III and IV
4. IV and I

Options :

89951465651. 1
89951465652. 2
89951465653. 3
89951465654. 4

Question Number : 50 Question Id : 89951416815 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 2 Wrong Marks : 0

A higher gross profit margin ratio but a lower operating profit margin indicates

I. The company is in a better position to control its prices to meet the competition
II. The company's operating expenses have reduced
III. The company is incurring higher operating expenses
IV. The company's overhead expenses have reduced
1. I and II
2. I and III
3. III and IV
4. IV and I

Options :

89951465655. 1
89951465656. 2
89951465657. 3
89951465658. 4

Question Number : 51 Question Id : 89951416816 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 2 Wrong Marks : 0

Which of the following ratios would be best likely useful in assessing the ability of the company to meet its long-term obligations?

1. Liquidity ratios
2. Asset turnover ratios
3. Solvency ratios
4. Current ratio

Options :

89951465659. 1

89951465660. 2

89951465661. 3

89951465662. 4

Financial Accounting and Analysis-5

Section Id :	899514274
Section Number :	5
Section type :	Online
Mandatory or Optional :	Mandatory
Number of Questions :	2
Number of Questions to be attempted :	2
Section Marks :	3
Mark As Answered Required? :	Yes
Sub-Section Number :	1
Sub-Section Id :	899514319
Question Shuffling Allowed :	Yes

Question Number : 52 Question Id : 89951416817 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 1.5 Wrong Marks : 0

Time Co collects its receivables on average in 73 days. The receivables of the company as on 31st March 2019 are

Rs. 300,000. Determine the revenue of the company for the year ended 31st March 2019. (Ignore averaging)

1. Rs. 13,00,000
2. Rs. 15,00,000
3. Rs. 12,00,000
4. Rs. 18,00,000

Options :

89951465663. 1
89951465664. 2
89951465665. 3
89951465666. 4

Question Number : 53 Question Id : 89951416818 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 1.5 Wrong Marks : 0

High fixed asset turnover ratio indicates

1. The firm is not able to use its fixed assets fully
2. The firm is managing its debts well
3. The firm is able to generate higher sales as compared to its competitors
4. The firm is efficiently using its fixed assets to generate sales

Options :

89951465667. 1
89951465668. 2
89951465669. 3
89951465670. 4