



St. Lawrence High School



A Jesuit Christian Minority Institution

Worksheet 53

Sub: ACCOUNTANCY

Class 12

F.M. 15

Chapter: Unit 5

Date: 16/01/2021

Topic: FSA- Ratio Analysis 1

Choose the correct alternatives

1 x 15 = 15

1. Ratio Analysis is based on the following financial statement:
(a) Profit & Loss A/C; (b) Balance Sheet; (c) Both (a) & (b); (d) none of these
2. Ratio Analysis can help management for
(a) planning; (b) forecasting; (c) decision making; (d) all of these
3. Accounting Ratios are based on
(a) past performance; (b) future performance; (c) present performance; (d) none of these
4. Which of the following is the user of accounting ratios?
(a) directors; (b) shareholders; (c) managers; (d) all of these
5. Which one of the following is the advantage of ratio analysis?
(a) it helps for inter firm comparison; (b) it helps for investment decision;
(c) it helps for intra firm comparison; (d) all of these
6. Current Ratio is the relationship between
(a) current assets & current liabilities; (b) current assets & quick liabilities;
(c) current assets & non-current liabilities; (d) none of these
7. Ideal current ratio is
(a) 1:1; (b) 2:1; (c) 1:2; (d) 3:2
8. Quick Ratio is the relationship between
(a) current assets & current liabilities; (b) quick assets & current liabilities;
(c) quick assets & non-current liabilities; (d) none of these
9. Ideal quick ratio is
(a) 1:1; (b) 2:1; (c) 1:2; (d) 3:2
10. If current assets are Rs. 5,00,000 & current liabilities are Rs. 2,00,000, current ratio is
(a) 5:2; (b) 3:2; (c) 1:1; (d) all of these
11. If current assets are Rs. 5,00,000 which includes inventories for Rs. 1,00,000 and prepaid insurance for Rs. 1,00,000 and current liabilities are Rs. 3,00,000 which includes bank overdraft for Rs. 1,00,000, quick ratio is:
(a) 1:1; (b) 3:2; (c) 2:1; (d) none of these
12. Due to repayment of current liabilities current ratio will
(a) improve; (b) reduce; (c) not change; (d) none of these

13. If goods are purchased in cash current ratio will
(a) improve; (b) reduce; (c) not change; (d) none of these
14. If cash collected from debtors quick ratio will
(a) improve; (b) reduce; (c) not change; (d) none of these
15. If goods costing Rs. 40,000 sold for Rs. 50,000, quick ratio will
(a) improve; (b) reduce; (c) not change; (d) none of these

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