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Class:-B.Com Part 3

Subject:-Management



2,80,000
= 117 days (approx.)

Problem 41

The following is the Balance Sheet of Amit Company Ltd. as on 31st March, 2013 :

Balance Sheet of Amit Co. Ltd. (as at 31st March, 2013)

<i>Particulars</i>	<i>Note No.</i>	<i>Amount</i>	<i>Amount</i>
		₹	₹
I. EQUITY & LIABILITIES			
1. <i>Shareholders' Funds :</i>			
Share Capital			1,80,000
Securities Premium Reserve			30,000
Statement of Profit & Loss			50,000
<i>Reserve & Surplus :</i>			
Preliminary Expenses			(20,000)
2. <i>Non-current Liabilities :</i>			
Mortgage Loan @ 10%			80,000
3. <i>Current Liabilities :</i>			
Trade Payables :			
Creditors		40,000	
Bills Payable		20,000	60,000
Outstanding Expenses			20,000
Total (1 + 2 + 3)			4,00,000
II. ASSETS			
1. <i>Non-current Assets :</i>			
Fixed Assets			2,00,000
2. <i>Current Assets :</i>			
Trade Receivables :			
Debtors		1,00,000	
Bills Receivables		40,000	1,40,000
<i>Cash & Cash Equivalents :</i>			
Cash at Bank			60,000
Total (1 + 2)			4,00,000

Additional Information :

Sales for the year 2013

₹ 2,00,000

Calculate :

1. Capital Employed Turnover

2. F. Assets T.O. Ratio

3. W. Capital T.O. Ratio
4. C. Assets T.O. Ratio
5. T. Assets T. O. Ratio

Solution

$$(1) \quad \text{Capital Turnover Ratio} = \frac{\text{Sales}}{\text{Capital Employed}} \\ = \frac{2,00,000}{3,20,000} = 0.63 \text{ time}$$

Capital Employed :

Fixed Assets

Add : Current Assets :

	₹
Debtors	1,00,000
B/R	40,000
Cash at Bank	<u>60,000</u>

Less : Current Liabilities

(Creditors + B/P + O/S Exp.)

Capital Employed

OR

Share Capital

Add : Securities Premium Reserve

Statement of Profit and Loss

Mortgage Loan

Less : Preliminary Exp.

$$(2) \quad \text{Fixed Assets Turnover Ratio} = \frac{\text{Sales}}{\text{Fixed Assets}} \\ = \frac{2,00,000}{2,00,000} = 1 \text{ time}$$

$$(3) \quad \text{Working Capital Turnover Ratio} = \frac{\text{Sales}}{\text{Working Capital}} \\ = \frac{\text{Sales}}{\text{CA} - \text{CL}} \\ = \frac{2,00,000}{1,20,000} = 1.67 \text{ times}$$

$$(4) \quad \text{Current Assets Turnover Ratio} = \frac{\text{Sales}}{\text{Current Assets}} \\ = \frac{2,00,000}{2,00,000} = 1 \text{ time}$$

$$(5) \quad \text{Total Assets Turnover Ratio} = \frac{\text{Sales}}{\text{Total Assets}}$$