"Dissemination of Education for Knowledge, Science and Culture"
Shikshanmaharshi Dr. Bapuji Salunkhe
Shri Swami Vivekanand Shikshan Sanstha's

VIVEKANAND COLLEGE, KOLHAPUR

(An Empowered Autonomous Institute)

DEPARTMENT OF COMMERCE

(2025-26)

Vivekanand College, Kolhapur
ESTD. JUNE 1964
An Empowered Autonomous Institute

NOTICE

Date: 02nd February, 2026

All the students of B. Com Part- III, Group-A are hereby informed that Department of Commerce. has conducted Open Book Test of Advanced Accountancy Paper- III on "Ratio Analysis" on 10th February, 2026 at 9.10 am. Students should remain present in time in room number - 311.

Dabade

Dr. U. D. Dabade
Subject Teacher

Mr. S. S. kale
Head of the department

HEAD
DEPARTMENT OF COMMERCE
VIVEKANAND COLLEGE, KOLHAPUR
(EMPOWERED AUTONOMOUS)

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Vivekanand College, Kolhapur (An Empowered Autonomous Institute)

B. Com. III, Sem- VI

Advanced Accountancy- III

Open Book Test – Ratio Analysis

Date – 10/02/2026

Attendance

Vivekanand College, Kolhapur (An Empowered Autonomous Institute) ESTD. JUNE 1964

Sr. No.	Student Name	M/F	Sign	Marks
1.	Libuseng Esther lebabo	F.	[illegible]	10
2.	Rutuja Shivaji Diwale	F.	[illegible]	06
3.	Padma b. Suthar	F.	[illegible]	02
4.	Pratiksha santosh Nagavkar	F.	Pratiksha	04
5.	sneha sharad Girigosavi	F	Girigo	02
6.	Shravani Mahavir patil	F	[illegible]	02
7.	snehal shreekant waje	F	Swaje	00
8.	Pratiksha Uttam Parit	F	PParit	08
9.	mugdha milind Gulvani	F	[illegible]	00
10.	Manasi Satish Ghodake.	F.	Manasi	08
11.	Nikam Rutuja Sandip	F	Rutuja	09
12.	Akshata Shantinath Ainapure	F	AS Ainapure	00
13.	kavita Gunda pandav	F	kavita	02
14.	Ritu Vinay Gutte.	F	RGutte.	10
15.	Aayesha Ashok Khot	F	AKhot	10
16.	Shweta Ramdev Sutar	F	[illegible]	14
17.	Aditi Amar Taste	F	Aditi	06
18.	saniya s patvegar	F	patvegar	06
19.	Madhura Sagar Sawant	F	MSawant	16
20.	Drakshayani Prakash Rajmane	F	Rajmane	08
21	Krutika Satish Patil	F	Kpatil	10
22	Laxmikant Sanjay Pandrey	M	Laxmikant	04
23.	vedant vijay kamble	M	Kamble	04
24.	Pratik Fakira Sale	M	[illegible]	02

Dabade

Dr. U. D. Dabade

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Vivekanand College, Kolhapur (An Empowered Autonomous Institute)

B. Com. III, Sem- VI

Advanced Accountancy- III

Open Book Test – Ratio Analysis

Date – 10/02/2026

Question Paper

Vivekanand College, Kolhapur (An Empowered Autonomous Institute) ESTD. JUNE 1964

Problem –Following is the Financial Statements of Ratan Ltd. for the year 2022.

Balance Sheet As on 31st March 2012

Liabilities	₹.	Assets	₹.
7% Preference Share Capital	4,00,000	Building	12,00,000
Equity Share Capital	16,00,000	Plant and Machinery	8,00,000
General Reserve	18,00,000	Furniture	4,00,000
Retained Earning	50,000	Patent	1,00,000
6% debenture	2,00,000	Cash	4,40,000
Loan (Long term)	1,60,000	Bank	2,60,000
8% bonds	40,000	Investment (Short term)	3,60,000
Creditors	1,20,000	Debtors	2,30,000
Bills Payable	40,000	Bills Receivable	1,60,000
Bank Overdraft	40,000	Stock	6,00,000
Outstanding Exp.	40,000	Prepaid Expenses	₹ 40,000
Proposed Dividend	1,00,000		
	45,90,000		**45,90,000**

Profit and Loss A/C for the year ended 31st March 2022

Particulars	
Sales	48,00,000
Less- Cost of Goods Sold	32,00,000
Gross Profit	16,00,000
Expenses	14,00,000
Net Profit	2,00,000

You are Require to compute the following ratios-

Current Ratio, Acid Test Ratio, G/P Ratio, N/P Ratio, Return on Proprietors Fund Ratio, Debt to Equity Ratio, Fixed Asset Turnover Ratio, Current Asset to Proprietors Fund Ratio, Total Asset Turnover Ratio, Operating Ratio, Return on Capital Employed Ratio, Debtor Turnover Ratio, Stock Turnover, Working Capital turnover Ratio, Proprietary Ratio.

Solution -

1. **Current Ratio = CA/CL**

   = 1045000/170000

   = **6.14:1**

2. **Acid Test Ratio = Quick Assets / Quick Liabilities**

   = CA- Stock – Prepaid Exp. / CL – Bank OD

   =1045000-300000-20000 / 170000-20000

   = 725000/150000

   = **4.83:1**

3. **G/P Ratio = GP/ Sales * 100**

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= 800000/2400000*100

=33.33%

4. **Net Profit Ratio = NP/ Sales *100**

= 100000/2400000*100

= 4.16%

5. **Return on Proprietors Fund Ratio = NP after Tax/ Proprietors fund*100**

= 100000/1925000*100

= 5.19%

Proprietors Funds = Eq. Shares + 7% prf. Shares + GR + Return Earning

= 800000+200000+900000+25000

= 1925000

6. **Debt Equity Ratio = Debt / Equity**

= 370000/1925000

= 0.19

7. **Fixed Asset Turnover Ratio = Net Sales / Fixed Assets**

= 2400000/1250000

= **1.92 Times or 2 Times**

8. **Current Assets to Proprietors fund ratio = CA/ Proprietors fund ratio**

= 1045000 / 1925000

= **0.54**

9. **Total Assets turnover Ratio = Net sales / Total Assets**

= 2400000/2295000

= **1.04 or 1 Time**

10. **Operating Ratio = Cost of Goods Sold + Operating Exp / Net sales *100**

= 1600000 + 700000/2400000*100

= **95.83%**

11. **Return on Capital Employed Ratio = N/P before int. and tax / Capital Employed *100**

Capital Employed = Eq. Shares + 7% prf. Shares + GR + Return Earning + Debentures + Loan + 8 % Bonds

= **2125000**

= **100000/2125000*100**

= **4.70%**

12. Debtor Turnover Ratio = **Net Credit Sales / Average Receivable**

= **24,00,000/1,95,000**

= **12.31 = 12 times**

13. Stock Turnover Ratio = **Cost of Goods Sold / Average Stock**

= **16,00,000/ 3,00,000**

= **5.33 = 5 times**

14. Working Capital turnover Ratio = **Net sales / Working Capital**

Working Capital = CA- CL

= 1045000-170000

=8,75,000

Working Capital turnover Ratio= 24,00,000 / 8,75,000

= 2.74 = 3 times

15. Proprietary Ratio = **Shareholders fund / total assets**

= 1925000 / 2295000

= 0.84

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Open Book Test

Name : Madhura Sagar Sawant
Class : B.com TY
Sub : Advanced Accountancy paper III
Group : A
Div : B

Following is the financial statement of OPQ Ltd for the year 2022

Balance Sheet
As on 31st

Liabilities	₹	Assets	₹
Pref. share capital	4,00,000	Building	12,00,000
Equity share capital	16,00,000	plant & Machinery	8,00,000
Retained earning	50,000	Furniture	4,00,000
General Reserve	18,000	Patent	1,00,000
6% debenture	2,00,000	Cash	4,40,000
loan (long term)	1,60,000	Bank	2,60,000
8% bonds	40,000	Investment (short term)	3,60,000
creditors	1,20,000	Debtors	2,30,000
Bills payable	40,000	Bills receivable	1,60,000
o/s expenses	40,000	Stock	6,00,000
Bank overdraft	40,000	Prepaid expenses	40,000
Proposed dividend	1,00,000		
	45,90,000		45,90,000

profit & loss A/c for year ending 31st Mar 2022

Particulars	₹
Sales	48,00,000
(-) cost of good sold	32,00,000
Gross profit	16,00,000
(-) Expenses	14,00,000
Net Profit	2,00,000

You are required to compute the following ratios
Liquid Ratio, Net profit Ratio, Debt to equity Ratio, Retain

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Return on proprietors fund Ratio, Return on capital employed Ratio, proprietory Ratio, Debtors turnover ratio, Stock Turnover Ratio.

1. Liquid Ratio = $\frac{\text{Liquid Assets}}{\text{Liquid liabilities}}$

Liquid Assets = Current Assets − Stock − prepaid Expenses
= 2090000 − 600000 − 40000
= 1450000

Liquid liabilities = Current Liabilities − Bank overdraft
= 340000 − 40000
= 300000

∴ Liquid Ratio = $\frac{1450000}{300000}$
= 4.83 : 1

2. Net Profit Ratio = $\frac{\text{Net Profit}}{\text{Sales}} \times 100$
= $\frac{2,00,000}{4800000} \times 100$
= 4.16 %

3. Debt Equity Ratio = $\frac{\text{Debt}}{\text{Equity}}$

Debt = 6% debenture + Loan + 8% bonds + creditors + Bills payable + o/s expenses + Bank overdraft + proposed dividend
= 200000 + 160000 + 40000 + 120000 + 40000 + 40000 + 40000 + 100000
= 740000

Equity = Pref. share capital + Equity share + Retained earning + G. Reserve
= 400000 + 1600000 + 50000 + 18000
= 2068000

∴ Debt equity Ratio = $\frac{740000}{2068000}$

= 0.35

4. Return on proprietor fund Ratio
= $\frac{\text{Net Profit after Interest \& Tax}}{\text{Shareholders fund}} \times 100$

= $\frac{200000}{2068000} \times 100$

= 9.67 %

5. Return on capital employed Ratio
= $\frac{\text{Net Profit before interest \& Tax}}{\text{capital employeed}} \times 100$

= $\frac{200000}{4250000} \times 100$ $\frac{2,00,000}{24,68,000}$

= 4.70 % 0.081

6. proprietary Ratio = $\frac{\text{Shareholder funds}}{\text{Total Assets}}$

= $\frac{2068000}{4590000}$

= 0.45

7. Debtors Turnover Ratio = $\frac{\text{Credit Sales}}{\text{Average Debtors}}$

= $\frac{4800000}{390000}$

= 12.3 ≅ 12 Times

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Average collection period = $\frac{\text{Days in the year}}{\text{Debtors Turnover Ratio}}$

$= \frac{365}{12}$

$= 30$ days

8. Stock Turnover Ratio = $\frac{\text{Cost of goods sold}}{\text{Average stock}}$

$= \frac{3200000}{600000}$

$= 5.3 \cong 5$ Times

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OPEN BOOK TEST

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Name : Shweta Ramdev Sutar
Std : B.Com Ty
Subject : Advance Accountancy - III

Following is the financial statement of "OPQ" Ltd. for the year 2022. Prepare Balance sheet 31st March 2022.

Liabilities	₹	Assets	₹
Preference share Capital	4,00,000	Building	12,00,000
Equity share Capital	16,00,000	Plant & Machinery	8,00,000
Retained Earning	50,000	Furniture	4,00,000
General Reserve	18,000	Patent	1,00,000
6% Debenture	2,00,000	Cash	4,40,000
Loan (Long-term)	1,60,000	Bank	2,60,000
8% Bonds	40,000	Investment (short-term)	3,60,000
Creditors	1,20,000	Debtors	2,30,000
Bills Payable	40,000	Bills Receivable	1,60,000
Outstanding Exp.	40,000	Stock	6,00,000
Bank overdraft	40,000	Prepaid Exp.	40,000
Proposed Dividend	1,00,000		
	45,90,000		45,90,000

Profit & loss A/c for the year ending 31st March 2022

Particulars	₹
Sales	48,00,000
Less: Cost of Goods sold	32,00,000
Gross Profit	16,00,000
Less: Expenses	14,00,000
Net Profit	2,00,000

You are required to compute the following Ratios A) Liquid Ratio B) Net Profit Ratio C) Debt to Equity Ratio D) Return on Proprietors fund Ratio E) Return on Capital employed Ratio F) Proprietory Ratio

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G) Debtors Turnover Ratio H) Stock Turnover Ratio

→ A) Liquid Ratio = $\frac{\text{Liquid Assets}}{\text{Liquid Liabilities}}$

∴ Liquid Asset = Current Assets - Stock - Prepaid Exp.

∴ Liquid Liabilities = Current Liabilities - Bank overdraft

∴ Current Asset = Stock + Debtors + Investment (Short-term) + Bills Receivable + Cash + Bank + Prepaid Exp.

= 6,00,000 + 7,30,000 + 3,60,000 + 4,40,000 + 2,60,000 + 40,000

= 1930000

∴ Current Liabilities = Creditors + Bills Payable + outstanding Expenses + Bank overdraft + Proposed Dividend

= 1,20,000 + 40,000 + 40,000 + 40,000 + 1,00,000

= 3,40,000

∴ Liquid Asset = 1,930,000 - 6,00,000 - 40,000 = 1290000

∴ Liquid liabilities = 3,40,000 - 40,000 = 3,00,000

∴ Liquid Ratio = $\frac{1290000}{3,00,000}$ = 4.3 : 1

B) Net Profit Ratio = $\frac{\text{Net Profit}}{\text{Sales}} \times 100 = \frac{2,00,000}{48,00,000} \times 100$

= 4.16 %

C) Debt to Equity Ratio = $\frac{\text{Debt}}{\text{Equity}}$

∴ Debt = 6% Debentures + loan (long-term) + 8% Bonds

= 2,00,000 + 1,60,000 + 40,000 = 4,00,000

∴ Equity = Preference Share Capital + Eq. Share capital + Retained Earnings + General Reserve

= 4,00,000 + 16,00,000 + 50,000 + 18,000

= 2068000

∴ Debt to Equity Ratio = $\frac{4,00,000}{}$ = 0.19

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$= \frac{2,00,000}{2068000} \times 100 = 9.67\%$

) Return on Capital Employed Ratio = $\frac{\text{Net Profit Before Int \& Tax}}{\text{Capital Employed}}$

∴ Capital Employed: Total liabilities - Current liabilities

OR Equity + Debt

Debt =

∴ Equity = 2068000 + 4,00,000 = 2468000

(2068000 + 4,00,000)

∴ capital Employed = 2468000

∴ Return on capital Employed Ratio = $\frac{2,00,000}{2468000} = 0.08$

F) Propreitory Ratio = $\frac{\text{Shareholders Fund}}{\text{Total Assets}}$

$= \frac{2068000}{2500000} = 0.82$

∴ Total Assets = 12,00,000 + 8,00,000 + 4,00,000 + 1,00,000

= 2500000

G) Debtors Turnover Ratio = $\frac{\text{Credit Sales}}{\text{Average Debtors}}$

∴ Average Debtors = Debtors + Bills Receivable

$= \frac{48,00,000}{390000} = 12.30$ Times

H) Stock Turnover Ratio = $\frac{\text{Cost of Goods sold}}{\text{Average Stock}}$

∴ Sales - Gross Profit = 48,00,000 - 16,00,000

= 3200000

$= \frac{3200000}{6,00,000} = 5.33$ Times

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