Q2. Following is the Balance Sheet of Title Machine Ltd as at March 31, 2015.

Particulars	**Amount** Rs.
I. Equity and Liabilities	
1. Shareholder's Funds	
a. Share Capital	24,00,000
b. Reserve and Surplus	6,00,000
2. Non-Current Liabilities	
a. Long-term borrowings	9,00,000
3. Current Liabilities	
a. Short-term borrowings	6,00,000
b. Trade Payables	23,40,000
c. Short-term provisions	60,000
Total	**69,00,000**
II. Assets	
1. Non-Current Assets	
a. Fixed Assets	
a. Tangible assets	45,00,000
2. Current Assets	
a. Inventories	12,00,000
b. Trade Receivables	9,00,000
c. Cash and Cash Equivalents	2,28,000
d. Short-term loans and advances	72,000
Total	**69,00,000**

Solution:

1.Current Ratio

$$\text{Current Ratio} = \frac{\text{Current Assets}}{\text{Current Liablities}}$$
$$= \frac{24,00,000}{30,00,000}$$
$$= 0.8 : 1$$

Current Assets= Inventories + Trade Receivables + cash + Short term Loans and Advances

=12,00,000 + 9,00,000 + 2,28,000 + 72,000

=24,00,000

Current Liabilities= Trade Payables+ Short term Borrowings+ Short term Provision

= 23,40,000 + 6,00,000 + 60,000

= 30,00,000

2. Quick Ratio

$$\text{Quick Ratio} = \frac{\text{Quick Assets}}{\text{Current Liablities}}$$
$$= \frac{12,00,000}{30,00,000}$$
$$= 0.4 : 1$$

Quick Assets = Trade Receivables + Cash + Short term Loans and Advances

= 9,00,000 + 2,28,000 + 72,000

= 12,00,000

*********** END **********