



Numerical Problems

Q1. Following is the Balance Sheet of Raj Oil Mills Limited as at March 31, 2015. Calculate current ratio.

Particulars	Rs.
I. Equity and Liabilities	
1. Shareholder's Funds	
a. Share Capital	7,90,000
b. Reserve and Surplus	35,000
2. Current Liabilities	
a. Trade Payables	72,000
Total	8,97,000
II. Assets	
1. Non-Current Assets	
a. Fixed Assets	
a. Tangible assets	7,53,000
2. Current Assets	
a. Inventories	55,800
b. Trade Receivables	28,800
c. Cash and Cash Equivalents	59,400
Total	8,97,000

Solution:

$$\begin{aligned}\text{Current Ratio} &= \frac{\text{Current Assets}}{\text{Current Liabilities}} \\ &= \frac{1,44,000}{72,000} \\ &= 2:1\end{aligned}$$

$$\begin{aligned}\text{Current Assets} &= \text{Inventories} + \text{Trade Receivables} + \text{Cash} \\ &= 55,800 + 28,800 + 59,400 \\ &= 1,44,000\end{aligned}$$

$$\text{Current Liabilities} = \text{Trade Payables} = 72,000$$

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