

**National Institute of Open Schooling (NIOS)**  
**Senior Secondary**  
**Worksheet-33**

**L-33 ACCOUNTING RATIOS-II**

1. The term 'solvency' refers to the ability of a concern to meet its long-term obligations. Which ratios serve the purpose of determining the solvency of the business firm?
2. From the following, calculate the debt-equity ratio:

Equity Shares Capital	1,00,000
General Reserve	45,000
Accumulated Profits	30,000
Debentures	75,000
Sundry trade creditors	40,000
Outstanding expenses	10,000

3. Calculate the debt-equity ratio from the following data:  
 Total Assets ₹1,20,000. Total debts ₹ 1,00,000 current liabilities ₹60,000.
4. Profitability ratios examine the current operating performance and efficiency of the business concern. These ratios are helpful for the management to take remedial measures if there is a declining trend. Explain the important profitability ratios are:
  - (i) Gross Profit Ratio
  - (ii) Net Profit Ratio
  - (iii) Operating Profit Ratio
  - (iv) Return on Investment Ratio

5. Calculate the gross profit ratio from the following data:

Sales ₹ 3,25,000 sales returns ₹ 25,000 and cost of revenue from operations ₹ 2,40,000.

6. Accounting ratios are very significant in analyzing the financial statements. Explain the main limitations of accounting ratios. From the following details of a business concern ascertain the operating profit ratio

7. From the following details of a business concern ascertain the operating profit ratio

<i>Details</i>	<i>2013</i>	<i>2014</i>
Revenue from Operations (Sales)	60,000	80,000
Interest on Debentures	1,000	2,000
Net Profit	3800	6000

8. Calculate gross profit ratio and net profit ratio from the following figures.

Revenue from operations (Sales)	1,50,000
Cost of revenue from operations	1,20,000
Operating expenses	12,000

9. Calculate Net profit ratio from the following:

Net Profit	45,000
Sales	6,40,000
Sales Returns	40,000