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2025-26

STD:- XII

Sub: - Accountancy

Holiday Worksheet

Topic : Accounting Ratios- Liquidity and Solvency Ratios

1. Liquid Assets do not include :

- (A) Bills Receivable**
- (B) Debtors**
- (C) Inventory**
- (D) Bank Balance**

2. Working Capital is the :

- (A) Cash and Bank Balance**
- (B) Capital borrowed from the Banks**
- (C) Difference between Current Assets and Current Liabilities**
- (D) Difference between Current Assets and Fixed Assets**

3. Current assets include only those assets which are expected to be realised within

- (A) 3 months**
- (B) 6 months**
- (C) 1 year**
- (D) 2 years**

4. Cash Balance ₹15,000; Trade Receivables ₹35,000; Inventory ₹40,000;

Trade Payables ₹24,000 and Bank Overdraft is ₹6,000. Current Ratio will be :

- (A) 3.75 : 1
- (B) 3 : 1
- (C) 1 : 3
- (D) 1 : 3.75

5. Which of the following transactions will improve the Current Ratio :

- (A) Cash Collected from Trade Receivables
- (B) Purchase of goods for cash
- (C) Payment to Trade Payables
- (D) Credit purchase of Goods

6. Which of the following transactions will improve the quick ratio?

- (A) Sale of goods for cash
- (B) Sale of goods on credit
- (C) Issue of new shares for cash
- (D) All of the Above

7. Current Assets of a Company were ₹ 1,00,000 and its current ratio was 2 : 1. After this the company paid ₹25,000 to a Trade Payable. The Current Ratio after the payment will be :

- (A) 5 : 1
- (B) 2 : 1
- (C) 3 : 1
- (D) 4 : 1

8. Current ratio of a firm is 9 : 4. Its current liabilities are ₹1,20,000.

Inventory is ₹30,000. Its liquid ratio will be :

- (A) 1 : 1
- (B) 1.5 : 1
- (C) 2 : 1
- (D) 1.6 : 1

9. A Company ' s Current Ratio is 2.5 : 1 and Liquid Ratio is 1.6 : 1. If its Current Assets are ₹7,50,000, what will be the value of Inventory?

- (A) ₹4,50,000
- (B) ₹4,80,000
- (C) ₹2,70,000
- (D) ₹1,80,000

10. Proprietary Ratio is :

- (A) Long term Debts/Shareholder's Funds
- (B) Total Assets/Shareholder's Funds
- (C) Shareholder's Funds/Total Assets
- (D) Shareholder's Funds/Fixed Assets

11. Fixed Assets ₹5,00,000; Current Assets ₹3,00,000; Equity Share Capital ₹4,00,000; Reserve ₹2,00,000; Long-term Debts ₹40,000. Proprietary Ratio will be :

- (A) 75%
- (B) 80%
- (C) 125%
- (D) 133%

12. Equity Share Capital ₹20,00,000; Reserve 5,00,000; Debentures

₹10,00,000; Current Liabilities ₹8,00,000. Debt-equity ratio will be :

- (A) .4 ; 1
- (B) .32 : 1
- (C) .72 : 1
- (D) .5 : 1

13. On the basis of following information received from a firm, its Proprietary Ratio will be :

Fixed Assets ₹3,30,000; Current Assets ₹1,90,000; Preliminary Expenses ₹30,000; Equity Share Capital ₹2,44,000; Preference Share Capital ₹1,70,000; Reserve Fund ₹58,000.

- (A) 70%
- (B) 80%
- (C) 85%
- (D) 90%

14. On the basis of following data, a Company's Total Assets-Debt Ratio will be: Working Capital ₹2,70,000; Current Liabilities ₹30,000; Fixed Assets ₹4,00,000; Debentures ₹2,00,000; Long Term Bank Loan ₹80,000.

- (A) 37%
- (B) 40%
- (C) 45%
- (D) 70%