

Ans. 1 long term debt = $\frac{\text{Total Debt}}{\text{Debt}} - \text{Current Liab}$

$$\text{LTD} = 100000 - 50000$$
$$\text{long term debt} = \boxed{\text{Rs. } 50000}$$

Now, sh. holders' funds = $\frac{\text{Total Assets}}{\text{Assets}} - \frac{\text{Total Debt}}{\text{Debt}}$

$$= 125000 - 100000$$
$$\text{Equity} = \boxed{\text{Rs. } 25000}$$

$$\text{Debt Equity Ratio} = \frac{\text{Debt}}{\text{Equity}}$$
$$= \frac{50000}{25000} \Rightarrow \underline{\underline{2:1}}$$

Ans. 2 Total Assets
= Trade Investⁿ + Land + Cash
+ Trade Receivables.

$$= 105000 + 900000 + 150000 + 225000$$
$$= \text{Rs. } 1380000$$

Sh. holders' funds = Eq. sh. Cap + Cap. P/s
+ Bal. of P&L A/c

$$= 105000 + 240000 + (30000)$$

$$= \text{Rs. } 1260000$$

Capital Employed = Sh. holders' funds + long term debts.

$$\Rightarrow 2220000 = 1260000 + \text{long term debts}$$

$$\Rightarrow \text{Thus long term debt} = \text{Rs. } 960000$$

Total Assets to Debt = $\frac{\text{Total Assets}}{\text{long term debts}}$

$$= \frac{1380000}{960000} = \underline{\underline{1.44 : 1}}$$

Ans. 3

(2)

Profit before int. but
after Tax

1020000

Add : Tax. prov.

330000

PBIT = 1350000

Now, Int. on Debⁿ = 15% of 1500000

= Rs. 225000

\therefore , Int. coverage Ratio

$$\Rightarrow \frac{1350000}{225000} = \underline{\underline{6 \text{ Times}}}$$