

Quick ratio practice worksheet

Name _____ Date _____

1. Quick ratio (problem 2201)

From the balances below, work out the quick ratio (acid-test ratio).

SELECTED BALANCES AT 31 DECEMBER (\$)

Short-term bank loan	60,000
Equipment, net	200,000
Accrued expenses	11,000
Current portion of long-term loan	5,000
Inventory	94,000
Share capital	80,000
Short-term investments	18,000
Long-term loan, due after one year	250,000
Accounts receivable	106,000
Accounts payable	34,000
Prepaid expenses	7,000
Cash and cash equivalents	23,000

1. Quick assets: _____
2. Total current liabilities: _____
3. Quick ratio: _____

2. Quick ratio (problem 2202)

From the balances below, work out the quick ratio (acid-test ratio).

SELECTED BALANCES AT 31 DECEMBER (\$)

Short-term bank loan	60,000
Accounts receivable	36,000
Inventory	26,000
Current portion of long-term loan	15,000
Equipment, net	260,000
Accrued expenses	20,000
Accounts payable	43,000
Prepaid expenses	10,000
Short-term investments	40,000
Cash and cash equivalents	19,000
Share capital	190,000
Long-term loan, due after one year	160,000

1. Quick assets: _____
2. Total current liabilities: _____
3. Quick ratio: _____

3. Quick ratio (problem 2203)

From the balances below, work out the quick ratio (acid-test ratio).

SELECTED BALANCES AT 31 DECEMBER (\$)

Accrued expenses	6,000
Share capital	60,000
Equipment, net	395,000
Accounts payable	64,000
Long-term loan, due after one year	200,000
Accounts receivable	38,000
Inventory	34,000
Current portion of long-term loan	25,000
Short-term investments	35,000
Prepaid expenses	9,000
Cash and cash equivalents	47,000
Short-term bank loan	25,000

1. Quick assets: _____
2. Total current liabilities: _____
3. Quick ratio: _____

4. Quick ratio (problem 2204)

From the balances below, work out the quick ratio (acid-test ratio).

SELECTED BALANCES AT 31 DECEMBER (\$)

Short-term bank loan	30,000
Accounts receivable	37,000
Cash and cash equivalents	60,000
Share capital	50,000
Equipment, net	130,000
Accrued expenses	11,000
Short-term investments	40,000
Accounts payable	60,000
Current portion of long-term loan	5,000
Inventory	115,000
Long-term loan, due after one year	60,000
Prepaid expenses	6,000

1. Quick assets: _____
2. Total current liabilities: _____
3. Quick ratio: _____

5. Quick ratio (problem 2205)

From the balances below, work out the quick ratio (acid-test ratio).

SELECTED BALANCES AT 31 DECEMBER (\$)

Equipment, net	300,000
Short-term bank loan	60,000
Prepaid expenses	3,000
Short-term investments	36,000
Accounts payable	119,000
Accrued expenses	21,000
Share capital	120,000
Current portion of long-term loan	5,000
Cash and cash equivalents	50,000
Long-term loan, due after one year	240,000
Inventory	67,000
Accounts receivable	62,000

1. Quick assets: _____
2. Total current liabilities: _____
3. Quick ratio: _____

6. Quick ratio (problem 2206)

From the balances below, work out the quick ratio (acid-test ratio).

SELECTED BALANCES AT 31 DECEMBER (\$)

Accounts payable	79,000
Long-term loan, due after one year	110,000
Accrued expenses	16,000
Share capital	200,000
Prepaid expenses	11,000
Equipment, net	285,000
Accounts receivable	49,000
Current portion of long-term loan	15,000
Inventory	112,000
Cash and cash equivalents	24,000
Short-term investments	7,000
Short-term bank loan	45,000

1. Quick assets: _____
2. Total current liabilities: _____
3. Quick ratio: _____

Answer key

1. Quick ratio (problem 2201)

1. **Quick assets: 147,000.** Cash 23,000 + Short-term investments 18,000 + Accounts receivable 106,000 = 147,000
2. **Total current liabilities: 110,000.** Accounts payable 34,000 + Accrued expenses 11,000 + Short-term bank loan 60,000 + Current portion of long-term loan 5,000 = 110,000
3. **Quick ratio: 1.34.** $147,000 \div 110,000 = 1.34$

2. Quick ratio (problem 2202)

1. **Quick assets: 95,000.** Cash 19,000 + Short-term investments 40,000 + Accounts receivable 36,000 = 95,000
2. **Total current liabilities: 138,000.** Accounts payable 43,000 + Accrued expenses 20,000 + Short-term bank loan 60,000 + Current portion of long-term loan 15,000 = 138,000
3. **Quick ratio: 0.69.** $95,000 \div 138,000 = 0.69$

3. Quick ratio (problem 2203)

1. **Quick assets: 120,000.** Cash 47,000 + Short-term investments 35,000 + Accounts receivable 38,000 = 120,000
2. **Total current liabilities: 120,000.** Accounts payable 64,000 + Accrued expenses 6,000 + Short-term bank loan 25,000 + Current portion of long-term loan 25,000 = 120,000
3. **Quick ratio: 1.00.** $120,000 \div 120,000 = 1.00$

4. Quick ratio (problem 2204)

1. **Quick assets: 137,000.** Cash 60,000 + Short-term investments 40,000 + Accounts receivable 37,000 = 137,000
2. **Total current liabilities: 106,000.** Accounts payable 60,000 + Accrued expenses 11,000 + Short-term bank loan 30,000 + Current portion of long-term loan 5,000 = 106,000
3. **Quick ratio: 1.29.** $137,000 \div 106,000 = 1.29$

5. Quick ratio (problem 2205)

1. **Quick assets: 148,000.** Cash 50,000 + Short-term investments 36,000 + Accounts receivable 62,000 = 148,000
2. **Total current liabilities: 205,000.** Accounts payable 119,000 + Accrued expenses 21,000 + Short-term bank loan 60,000 + Current portion of long-term loan 5,000 = 205,000
3. **Quick ratio: 0.72.** $148,000 \div 205,000 = 0.72$

6. Quick ratio (problem 2206)

1. **Quick assets: 80,000.** Cash 24,000 + Short-term investments 7,000 + Accounts receivable 49,000 = 80,000
2. **Total current liabilities: 155,000.** Accounts payable 79,000 + Accrued expenses 16,000 + Short-term bank loan 45,000 + Current portion of long-term loan 15,000 = 155,000
3. **Quick ratio: 0.52.** $80,000 \div 155,000 = 0.52$

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