

# ACCOUNTS

## PART - 8

*Useful for UPSC , PPSC , Punjab Patwari , PSPCL JE ,  
PSPCL RA*

- The formula for calculating Trade Payable Turnover Ratio is

1.  $\text{Net Credit Purchases} / \text{Average Creditors}$
2.  $\text{Net Credit Purchases} / \text{Average Creditors} + \text{Bills Payable}$
3.  $\text{Cash Purchases} / \text{Total Creditors}$
4. None of these

• Credit Purchases Rs 12,00,000; Opening Creditors Rs 2,00,000;  
Closing Creditors Rs 1,00,000. Trade Payables Turnover Ratio will be:

1. 6 times
2. 4 times
3. 8 times
4. 12 times

• Total Purchases Rs 4,50,000; Cash Purchases Rs 1,50,000; Creditors Rs 50,000; Bills Payable Rs 10,000. Trade Payable Turnover Ratio will be

1. 7.5 times
2. 6 times
3. 9 times
4. 5 times

- Credit Purchases Rs 6,00,000; Trade Payables Turnover Ratio 5;  
Calculate Closing Creditors if closing creditors are Rs 10,000 less than opening Creditors.

1. Rs 1,15000
2. Rs 1,25000
3. Rs 1,30000
4. Rs 1,10000

# Question for You

- Credit Purchases Rs 50,000 ; Opening Creditors Rs 25000 and Closing Creditors Rs 25,000; Trade Payables Turnover Ratio will be?
1. 1 time
  2. 2 times
  3. 3 times
  4. 4 times

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**THANKS**