

Vidya Vikas Mandal's
Shree Damodar College of Commerce & Economics, Margao-Goa
FY B.Com, Semester-II, Supplementary Examination August 2022
Financial Statement Analysis & Interpretation (CC 6)

Duration: 2hrs
Instructions:

Max Marks: 80

- 1) Start each question on fresh page.
- 2) Figures to the right indicate maximum marks.
- 3) Question no.1 is compulsory
- 4) Answer any 3 questions from question no.2 to question no.6

Q.1 From the following Trial balance of Glow Ltd., as on 31st March 2022, prepare a Statement of Profit & Loss as per schedule III of the companies Act. 2013. (20 Marks)

Trial Balance as on 31st March, 2022			
Particulars	Amount	Particulars	Amount
Interest on Debentures		Share Transfer Fees	15,000
Travelling Expenses	32,400	12% Debentures	2,70,000
Delivery van expenses	10,200	Commission received	7,400
Bad Debts	5,100	Sales	6,45,500
Discount	6,500	Share Capital	5,00,000
Purchases	7,000		
Opening Stock	3,15,800		
Freight outward	72,000		
Free samples	8,400		
Salaries	5,000		
Office expenses	36,000		
Bank balance	11,400		
Wages	1,58,600		
Land & Building	93,000		
Goodwill	4,00,000		
Insurance	1,47,900		
Furniture	6,000		
	1,22,600		
Total	14,37,900	Total	14,37,900

Additional information:

1. Closing stock was valued at Rs.85,500.
2. Write off Goodwill by 2%.
3. Provide depreciation on Land & Building @ 10% & Furniture @ 5%.

Q.2 Following is the summary of assets and liabilities of Chambal Ltd. as on 31st March 2022.
Prepare Common Size Balance Sheet and interpret the results. (20 Marks)

Liabilities	Amt. (Rs)	Assets	Amt. (Rs)
Share capital	5,00,000	Building	
General Reserve	40,000	Furniture	5,50,000
Profit & loss a/c	60,000	Long term Investments	2,00,000
12% Debentures	2,50,000	Stock	120,000
Creditors	1,20,000	Debtors	87,000
Provision for tax	80,000	Bank	75,000
Bank Overdraft	35,000	Prepaid Expenses	35,000
Outstanding rent	10,000		28,000
	10,95,000		10,95,000

Q.3 From the following information as on 31st March 2022, calculate the following ratios with interpretation: 1) Current Ratio 2) Liquid Ratio 3) Stock to Working Capital Ratio 4) Debt Equity Ratio 5) Proprietary Ratio 6) Capital Gearing Ratio (20 Marks)

Liabilities	Amount (Rs.)	Assets	Amount (Rs.)
Equity Share Capital	2,50,000	Computers	45,000
8% Preference Share Capital	1,50,000	Office building	2,50,000
General Reserve	20,000	Machinery	1,50,000
16% Debenture	1,00,000	Stock	90,000
Profit and Loss A/c	15,000	Debtors	21,000
Creditors	28,000	Bills Receivable	10,000
Bank Overdraft	12,000	Cash in hand	5,000
		Prepaid expenses	4,000
	5,75,000		5,75,000

Q.4 Following are the details of Viventa ltd for the year ended 31st March 2021 & 2022:

(20 Marks)

Particulars	2021 (Rs.)	2022 (Rs.)	Particulars	2021 (Rs.)	2022 (Rs.)
To Opening Stock	3,50,000	2,00,000	By Sales	11,00,000	12,00,000
To Purchases	7,00,000	9,00,000	By Closing Stock	2,00,000	3,00,000
To Wages	50,000	1,00,000			
To Gross Profit c/d	2,00,000	3,00,000			
	13,00,000	15,00,000		13,00,000	15,00,000
To Office Expenses	1,50,000	2,25,000	By Gross Profit b/d	2,00,000	3,00,000

To Finance Cost	20,000	30,000			
To Net Profit c/f	30,000	45,000			
	2,00,000	3,00,000		2,00,000	3,00,000

Prepare a Comparative Income statement and interpret the results.

Q.5 Following is the trial balance of Butter Ltd. as on 31st March 2022.

PARTICULARS	DEBIT(Rs.)	PARTICULARS	CREDIT(Rs.)
Stock (at cost)	10,00,000	Share Capital (Equity Shares of Rs.100 each)	40,00,000
Fixed Assets	24,70,000	General Reserve	1,40,000
Sundry Debtors	8,00,000	Loan from IDBI (long term)	6,00,000
Staff advance (short term)	1,70,800	Provision for taxation	22,000
Cash in hand	1,20,000	Net profit for the year	5,40,000
Bank balance	9.88.000	Profit & Loss Account (Opening balance)	2,00,000
Preliminary Expenses	53,200	Unsecured loans (long term)	1,00,000
Advance tax	24,000	Sundry Creditors	2,80,000
Bills Receivables	1,16,000	Unclaimed dividend	10,000
Investments (long term)	1,50,000		
TOTAL	58,92,000	TOTAL	58,92,000

(20 Marks)

Additional information:

1. Transfer to general reserve Rs.1,00,000
2. Out of the debtors ,debts due for more than six months were Rs. 1,04,000
3. Sundry creditors included Creditors for Goods Rs. 2,10,000 while the remaining are for Expenses.
4. Loan from IDBI is secured against stock
5. Market value of investments is Rs. 1,56,000 while the face value is Rs. 1,20,000.

Prepare Balance Sheet of Butter Ltd. for the year ended 31st March 2022.

Q.6. a) From the following information compute:

(10 Marks)

- i. Return on Shareholders Funds
- ii. Return on Capital Invested
- iii. Return on Equity

Particulars	Amount
Share capital	1250000
General reserve	750000
Profit and loss A/C	500000
12% Debentures	1500000
Current liabilities	750000
Net fixed assets	3750000
Current assets	1000000
Net profit after interest and tax	550000
Income tax	325000

Q.6. b) What is EVA? State the advantages of EVA.

(10 Marks)