

VidyaVikasMandal's
Shree Damodar College of Commerce & Economics, Margao-Goa
FY B.Com, Semester-II, Semester End Examination, June 2022
Financial Statement Analysis(CC6)

Duration: 2hrs

Max Marks: 80

Instructions:

- 1) Q no. 1 is compulsory
- 2) Answer any 3 question from Q No. 2 to Q No. 6
- 3) All question carry 20 marks each
- 4) Start each question on fresh page.
- 5) Working note must form part of your answer.
- 6) Figures to the right indicate maximum marks.

Q1. Chodankar Ltd. provides you with the following information. You are required to prepare Balance Sheet as on 31st March 2021 as per schedule III of Companies Act 2013. (20)

Particulars	Amt (Rs.)	Particulars	Amt (Rs.)
Office Equipment	6,80,600	Equity Share Capital	17,00,000
Investment	2,45,000	General Reserve	2,15,000
Spares and loose tools	1,80,300	Profit and Loss A/c	2,00,000
Plant and Machinery	20,00,000	Bill Payable	36,000
Goodwill	83,250	Creditors	3,68,500
Debtors	2,90,000	8% Preference Share Capital	7,50,000
Bills Receivables	30,000	Bank Mortgage loan	85,000
Cash at bank	1,21,000	Provision for Taxation	26,550
Cash in hand	51,000	8% Debentures	275,000
Prepaid Expenses	20,000		
Advances	63,000		

Additional information:

1. Closing Stock valued at Rs.1,00,200/-
2. Provide depreciation at 10% on Plant and Machinery and Office Equipment.
3. Authorized Equity Share Capital is 20,000 shares of Rs. 100 each.

Q2. You are furnished with the following Balance sheet of Adora Ltd. for two years. Prepare Comparative Balance Sheet as on 31st March 2020 and 2021 and Interpret the same.

(20)

Liabilities	2020 (Rs.)	2021 (Rs.)	Asset	2020 (Rs.)	2021 (Rs.)
Equity Share Capital	60,000	80,000	Plant and Property	100,000	1,20,000
8%Preference Share Capital	60,000	60,000	Investment	40,650	20,650
12% Debentures	100,000	80,000	Debtors	40,000	60,000
Profit and Loss A/c	32,000	40,100	Loans and Advances	16,150	24,250
Provision for tax	10,000	15,550	Cash at bank	40,200	61,200
Creditors for goods	35,000	34,000	Goodwill	80,000	39,000
Outstanding expenses	20,000	15,450			
	3,17,000	3,25,100		3,17,000	3,25,100

Q3. From the information given below prepare Statement of Profit and Loss A/c as on 31st March 2021 of MDP Ltd. as per schedule III of the Companies Act, 2013. (20)

Trial Balance as on 31st March, 2021

Particulars	Amt (Rs.)	Particulars	Amt (Rs.)
Opening Stock	80,000	Sales	12,60,200
Purchases	8,20,000	Equity Share Capital	8,00,000
Wages	63,000	Interest Earned	10,000
Salaries	1,17,600	Discount Received	800
Bad debts	13,700		
Bonus to employees	25,000		
Interest on Debentures	16,200		
Printing and Stationary	5,000		
Machinery	6,00,000		
Director fees	10,200		
Travelling Expense	10,000		
Selling and distribution	24,000		
Premises	2,60,000		
Rent paid	9,000		
Discount allowed	6,500		
Interest in loan	10,800		
	20,71,000		20,71,000

Additional information:

1. Outstanding Wages amounted to Rs. 3000/-
2. Provide Depreciation @ 10%.
3. Closing Stock was valued at Rs. 1,00,000/-
4. Provision for Taxation was Rs. 15,000/-

Q4. From the following information calculate and Interpret:

(20)

- (a) Current Ratio (b) Quick Ratio (c) Proprietary Ratio (d) Capital Gearing Ratio
(e) Stock to Working Capital Ratio

Liabilities	Amt (Rs.)	Asset	Amt (Rs.)
Equity Share Capital	4,00,000	Equipment	1,20,500
General Reserve	20,000	Motor Van	2,33,600
8% Preference Share Capital	2,25,000	Plant and Property	3,00,050
Profit and Loss A/c	16,000	Short term Investment	50,000
Bank Overdraft	29,000	Stock	90,400
Bills Payable	12,250	Sundry Debtors	66,050
Creditors	66,450	Cash at Bank	23,950
10% Debentures	1,10,650	Cash in hand	10,000
Income received in advance	25,000	Prepaid Expenses	9,800
	9,04,350		9,04,350

Q5. Prepare Common Size Income statement from the following for the year ended as on 31st March 2021 and Interpret.

(20)

Particulars	Amt (Rs.)
Sales	10,01,000
Cost of Material Consumed	6,59,660
Interest Received	11,500
Interest on Debenture	30,658
Salaries	55,250
Wages	10,150
Carriage Outward	15,050
Audit Fees	16,040
Other Expenses	9,546
Rent Received	5,600
Commission Paid	5,450
Interest on Bank Loan	15,653
Fixed Asset	9,08,700

Additional information:

1. Provide depreciation @5% on Fixed Asset.
2. Provision for Taxation @30%

Q6.

(A) From the information calculate and Interpret:

(10)

(a) Gross Profit Ratio (b) Net Profit Ratio (c) Operating Ratio (d) Expense Ratio.

Trading , Profit & Loss A/c for the year ended 31st Mar 2021

Particulars	Amt (Rs.)	Particulars	Amt (Rs.)
To Opening Stock	16,000	By Sale	5,00,000
To Purchases	350,000	By Closing Stock	22,000
To Gross Profit c/d	134,000		
	5,22,000		5,22,000
		By Gross Profit b/d	1,34,000
To General Expense	13,000		
To Administrative Expense	30,000		
To Interest Charges	15,000		
To Selling and Distribution	4,000		
To Provision for Tax	15,000		
To Net Profit	57,000		
	1,34,000		1,34,000

(B) What is Economic Value Added (EVA). Explain the Advantages of EVA.

(10)