

Vidya Vikas Mandal's
Shree Damodar College of Commerce & Economics, Margao-Goa
3rd Y BBA(FS), Semester VI (Repeat) Semester End Assessment November 2022
Course Code and Title: BFS SEC 2- FINANCIAL STATEMENT ANALYSIS

Duration: 2 Hrs.**Maximum Marks: 60****Instructions:**

- 1) Start each question on fresh page.
- 2) Figures to the right indicate maximum marks.
- 3) Q. 1 is compulsory.
- 4) Answer any four from Q.2 to Q.6.

Q.1. Write short note on ANY FIVE of the following:**(05*04=20 Marks)**

- a) Financial statements.
- b) Value Added statement.
- c) Trend Analysis.
- d) Ratio Analysis.
- e) Auditors Report.
- f) Extensible Business Reporting Language.

Q.2. From the following Balance Sheet of H.P. Ltd. as at 31st March, 2021, prepare Comparative Balance Sheet and comment on the same:

(10 Marks)

| Particulars | 31st March, 2021 (Rs.) | 31st March, 2020 (Rs.) |
|---------------------------|------------------------------|------------------------------|
| Equity Share Capital | 1250000 | 500000 |
| Preference Share Capital | 250000 | 250000 |
| Reserves and Surplus | 300000 | 450000 |
| 12% Debentures | 950000 | 550000 |
| Loan from Directors | 250000 | 200000 |
| Short-term Borrowings | 350000 | 175000 |
| Trade Payables | 200000 | 100000 |
| Short-term Provisions | 50000 | 25000 |
| Fixed Assets (Tangible) | 2250000 | 1500000 |
| Inventories | 450000 | 250000 |
| Trade Receivables | 800000 | 450000 |
| Cash and Cash Equivalents | 100000 | 50000 |

Q.3. From the following information given below prepare Common Size Income Statement and Balance sheet as on 31st March 2021 of Nirmal Ltd. (10 Marks)

| Particulars | Year I (Rs.) | Year II (Rs.) |
|---|-----------------|------------------|
| Net Sales | 1400000 | 1600000 |
| Purchases of Stock-in-Trade | 900000 | 1000000 |
| Change in Inventories of Stock-in-Trade | 100000 | 180000 |
| Finance Costs | 80000 | 80000 |
| Other Expenses | 320000 | 340000 |
| Share Capital | 900000 | 1200000 |
| Reserves and Surplus | 400000 | 350000 |
| Creditors | 200000 | 250000 |
| Fixed Assets (Tangible) | 1000000 | 1600000 |
| Debtors | 500000 | 200000 |

Q.4. Calculate Stock Turnover Ratio, Liquid Ratio, Debt Equity Ratio, Gross Profit Ratio and Net Profit Ratio from the following: (10 Marks)

Balance sheet as on 31st March 2020

| Liabilities | Amount (Rs.) | Assets | Amount (Rs.) |
|--------------------------|--------------|---------------|--------------|
| Outstanding Expenses | 25000 | Fixed Assets | 125000 |
| Sundry Creditors | 50000 | Sundry Debtor | 50000 |
| Debentures | 100000 | Bank Balance | 25000 |
| Reserves | 50000 | Stock | 125000 |
| Equity Share Capital | 50000 | | |
| Preference Share Capital | 50000 | | |
| | 325000 | | 325000 |

Profit and Loss Account for the year ending 31st March 2020

| Particulars | Amount (Rs.) | Particulars | Amount (Rs.) |
|----------------------------|--------------|-----------------------------|--------------|
| To opening Inventories | 75000 | By Sales | 500000 |
| To Purchases | 150000 | By Closing Inventories | 125000 |
| To Manufacturing Expenses | 50000 | By Profit on Sale of Shares | 25000 |
| To Direct Wages | 100000 | | |
| To Administrative Expenses | 25000 | | |
| To Selling Expenses | 25000 | | |
| To Loss on Sale of Assets | 27500 | | |
| To Interest on Debenture | 5000 | | |
| To Net Profit | 192500 | | |
| | 650000 | | 650000 |

Q.5. 'Annual report is a comprehensive report on a company's activities throughout the preceding year'. Elaborate. **(10 Marks)**

Q.6. Explain how you would conduct a financial analysis of a corporate business to understand its financial strengths and financial risks. **(10 Marks)**
