

Vidya Vikas Mandal's
 Shree Damodar College of Commerce & Economics, Margao-Goa
 3rd Y BBA(FS), Semester ~~IV~~ (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)**
