

VVM'S SHREE DAMODAR COLLEGE OF COMMERCE & ECONOMICS
TY BBA (FS), SEMESTER V, SEMESTER END ASSESSMENT, Repeat April 2018
SUBJECT: FINANCIAL STATEMENT ANALYSIS

Timing: 3 Hours

Marks: 60

Important Instructions:

- All questions are compulsory
- Start each question on a fresh page
- Figure to the right indicate maximum marks

Q 1. Write a short note on any three of the following: (3 x 5 Marks) ... 15 Marks

- a. Extensible Business Reporting Language (XBRL)
- b. Notes to accounts
- c. Trend analysis
- d. Earning per share

Q 2. a) Explain the corporate governance with reference towards Audit Committee formed in an organisation. ... 5 Marks

OR

Q 2. b) Discuss the importance of preparation of value added statement. ... 5 Marks

Q 3. Answer any four of the following:- (4 x 10 Marks) ... 40 Marks

- a. The following is the Balance Sheets of Delta Corp Ltd. for the years 2015 and 2016. Prepare the comparative Balance Sheet and study the financial position of the concern. (New Revised Format as per companies act.)

Balance Sheet as on 31st December

Liabilities	2015 (Rs)	2016 (Rs)	Assets	2015 (Rs)	2016 (Rs)
Equity Share Capital	5,00,000	7,00,000	Land	2,70,000	1,70,000
Reserves	3,30,000	2,22,000	Machinery	4,00,000	6,00,000
Debentures	2,00,000	3,00,000	Furniture	20,000	25,000
Long term loan	1,00,000	1,50,000	Other fixed assets	25,000	30,000
Bills Payables	50,000	45,000	Cash in hand	20,000	40,000
Sundry Creditors	1,00,000	1,20,000	Bills Receivable	1,00,000	80,000
Other current liabilities	5000	10,000	Debtors	2,00,000	2,50,000
			Stock	2,50,000	3,50,000
			Prepaid Expenses	-	2000
	12,85,000	15,47,000		12,85,000	15,47,000

- b. Discuss in detail the contents of corporate annual report.

- c. From the following information calculate:-

- (a) Liquid Ratio (b) Working Capital Turnover Ratio (c) Operating Ratio
 (d) Net Profit Ratio (e) Quick Ratio

Cost of Revenue from Operations	6,00,000
Operating Expenses	50,000
Revenue from Operations	8,00,000
Sales Returns	10,000
Total Current Assets	3,00,000
Total Current Liabilities	1,00,000
Total Assets	7,00,000
Closing Inventory	30,000
Prepaid Insurance	5,000

d. The following is the statement of Profit & Loss account of Escorts Co. Ltd for the year ending 31st March 2009. Prepare Common size Income statement.

Particulars	Amount
Sales	20,00,000
Other Income	30,000
Total revenue	<u>20,30,000</u>
<u>Expenses:</u>	
(a) Cost of Material Consumed	-
(b) Purchase of Stock-in-Trade	12,00,000
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(2,00,000)
(d) Employees benefit Expenses	2,50,000
(e) Finance Cost	85,000
(f) Depreciation	-
(g) Other Expenses	3,75,000
(V) Profit & Loss Before Tax	<u>3,20,000</u>
(VI) Provision for Tax	(1,05,000)
(VII) Profit & Loss after Tax	<u>2,15,000</u>

- e) i) Explain in the detail the functional classification of accounting ratios.
 ii) Explain the need and importance of corporate governance in preparation of annual reports.
