

Vidya Vikas Mandal's
Shree Damodar College of Commerce & Economics, Margao-Goa
F.Y.B com, Semester II, Semester End Examination, April 2019
Financial Statement Analysis & Interpretation (CC)

Duration: 2 hrs

Marks: 80

Instructions:

- a) Question no 1. Is compulsory
- b) Answer any 3 questions from No. 2 to No. 6
- c) All questions carry 20 marks each
- d) Working notes must form part of your answer

Q1. Delta Ltd. provides you the following information. You are required to prepare a Balance Sheet of the company as on 31st March 2018 as per Schedule III of the Companies Act 2013 **(20)**

Particulars	Rs.	Particulars	Rs.
Equity Share Capital	18,00,000	Sundry Creditors	92,560
6% Preference Share Capital	8,00,000	Investment in Immovable Property	5,25,000
General Reserves	62,400	Bills Receivable	44,600
Cash at Bank	1,57,160	Sundry Debtors	1,38,520
Furniture	1,77,800	Staff Provident Fund	5,00,000
Land and Building	14,34,970	Profit and Loss Ac	2,21,490
Proposed Dividend	82,000	Bank overdraft	2,45,100
Preliminary Expenses (unwritten off)	12,500	Trade Marks	10,00,000
Deposits with ICICI Bank (5 years)	1,68,000	Prepaid Insurance	25,000

Additional information:

- a. Closing stock was valued at 1,20,000
- b. Sundry Debtors include debts due for more than 6 months amounting to Rs. 90000
- c. Authorised Share Capital: a) 20,000 Equity Shares and 10,000, 6% Preference shares

Q2. Prepare Common Size Income Statement from the following for the year ended 31st March 2018. (All amounts in Indian Rs) (20)

Bajaj Auto Ltd.		
Particulars	31.3.2017	31.3.2018
Sales	3,18,900	3,00,000
Cost of Materials Consumed	1,45,800	1,80,000
Interest on Loan	24,600	30,000
Depreciation	14,000	25,000
Employee Salaries	22,500	15,000
Other Expenses	47,000	15,000
Rent received	28,900	36,500
Income Tax	25,100	20,000

Q3. From the following information provided, calculate a) Current Ratio b) Quick Ratio c) Stock to Working Capital Ratio d) Capital Gearing Ratio e) Proprietary Ratio f) Debt Equity Ratio and interpret the same (20)

Particulars	Amount	Particulars	Amount
Equity Share Capital	5,00,000	Land and Building	11,45,000
6% Preference Share Capital	3,00,000	Furniture	6,70,000
General Reserve	3,00,000	Investment (Long term)	3,20,000
Profit and Loss A/c	2,50,000	Short Term Investment	2,50,000
10% Debentures	9,00,000	Stock	3,25,000
Sundry Creditors	6,00,000	Sundry Debtors	5,25,000
Bills Payable	4,00,000	Cash at Bank	3,15,000
Bank Overdraft	3,00,000		
	35,50,000		35,50,000

Q4. You are furnished with the following Balance sheet of Nuts and Bolts Ltd for two years ended 31.3.2018. Prepare a Comparative Financial Statement. (20)

Liabilities and Provisions	31.3.2017	31.3.2018	Assets	31.3.2017	31.3.2018
Equity Share Capital	6,00,000	5,00,000	Fixed Assets(WDV)	4,80,000	6,00,000
Reserves	40,000	60,000	Stock	80,000	70,000
Outstanding Salaries	60,000	40,000	Debtors	2,00,000	1,56,000
Bank Overdraft	1,00,000	3,10,000	Prepaid Expenses	20,000	18,000
Creditors	80,000	1,00,000	Cash	1,00,000	1,66,000
	8,80,000	10,10,000		8,80,000	10,10,000

Q5. From the following financial statements of Pride Ltd. prepare Cash Flow statement for the year ended 31.3.2018 (20)

Liabilities	31.3.2017	31.3.2018	Assets	31.3.2017	31.3.2018
8% Preference Share Capital	2,02,950	2,02,010	Preliminary Expenses	13,950	4,950
Profit and Loss Ac	30,000	35,000	Land	32,400	45,000
General Reserve	10,500	19,000	Building	1,13,400	85,050
12% Debentures	45,000	22,000	Non Current Investments	40,500	90,000
Sundry Creditors	71,650	43,940	Debtors	94,500	1,14,120
Proposed Dividend	24,300	28,800	Bank Balance	89,650	11,630
	3,84,400	3,50,750		3,84,400	3,50,750

Other Information:

1. Dividend of Rs. 10,000 was paid during the year.
2. Depreciation written off on Building Rs. 30000 and Land was purchased during the year.

Q6. A) From the following information calculate the following ratios a) Return on Shareholders' Funds b) Return on Investment (Liabilities approach) (10)

Particulars	Amount
Equity Share Capital	14,50,000
General Reserve	9,50,000
10% Debentures	12,00,000
Sundry Creditors	4,50,000
Land and Building	19,50,000
Non Current Investment	7,00,000
Closing Stock	12,00,000
Profit Before Tax	5,00,000
Tax	2,10,000

B) What is EVA? Explain its limitations. (10)