

Vidya Vikas Mandal's
Shree Damodar College of Commerce & Economics, Margao-Goa
F.Y.B.Com Semester-II, **MAY/JUNE SUPPLEMENTARY EXAMINATION 2018**
Financial Statement Analysis & Interpretation

Duration: - 2hrs

Marks: - 80

Instructions

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

1. From the Information of Kay Ltd. given below, prepare a Statement of Profit & Loss as on 31st March as per schedule III of Companies Act 2013 (all amounts in Indian Rs.). (20)

Insurance	16200	Closing Stock	120000
Computers	40000	Equity Share Capital	800000
Conveyance	4000	Outstanding Rent	6000
Bonus to employees	20000	Sales	1240000
Interest on Loan	16000		
Loss on sale of machinery	20000		
Machinery	600000		
Material consumed	800000		
Opening stock	40000		
PF contribution	86000		
Premises	160000		
Provision for taxation	60000		
Salaries	114000		
Sales Returns	40000		

Additional Information:

- a. Bad debts amount to Rs. 4000
 - b. Depreciation on Premises is Rs. 10000, and on Machinery Rs. 20000
2. From the following information of Analytica Ltd. prepare a Common Size Statement. (all amounts in Indian Rs.) (20)

Particulars	Year 2015	Year 2016
Sales	1370	1442
Cost of Goods sold	838	926
Administrative expenses	94	92
Selling expenses	188	182
Dividends earned	44	50
Interest Paid	44	44
Income tax paid	124	124

3. From the following information as on 31st March 2017 calculate the following Ratios and Interpret the same: (20)

- a. Return on Proprietors equity b. Inventory to Working Capital c. Capital Gearing ratio d. Interest Coverage Ratio e. Debt to Equity ratio f. Proprietary ratio
(all amounts in Indian Rs.)

Long Term Loans	10000	Cash	10000
Sundry Creditors	15000	Bills Receivable	5000
Bank Overdraft	2500	Bank Balance	20000
4% Debentures	29000	Debtors	15000
Share Capital	10000	Computers	70000
Profit & loss a/c	15000	Plant & Machinery	25500
General reserves	20000	Stock	10000

4.A From the following balance sheet of Alpha Ltd. prepare a Comparative Income Statement (all amounts in Indian Rs.) (10marks X 2 = 20)

Particulars	Year 2016	Year 2017
Sales	900000	800000
Cost of Materials Consumed	540000	320000
Other Expenses	144000	192000
Income Tax	108000	144000

4.B What is Trend Analysis. Explain the procedure to conduct trend analysis.

5. The Balance sheet of Emgee Ltd as on 31st March 2016 and 2017 is as follows. Prepare Cash Flow statement for the year ended 31st March 2017. (all amounts in Indian Rs.) (20)

Particulars	Year 2016	Year 2017	Particulars	Year 2016	Year 2017
Equity Capital	25000	30000	Land	25000	27500
Debentures	25000	30000	Building	12000	10500
Provision for Tax	4000	5550	Stock	3000	4000
Profit & Loss a/c	16900	15150	Debtors	6200	6250
Proposed Dividend	3500	4000	Plant	30000	37000
Creditors	4090	5070	Bank Balance	1200	1000
Loans	8000	10000	Goodwill	5000	4000
			Cash	1200	1000

Adjustments:

- Taxes paid for the year is Rs. 4500
- Depreciation is as follows: a. On Land & Building Rs. 1000 b. On Plant Rs. 1500
- Investments amounting to Rs. 1000 were sold for Rs. 1200

6. A Explain the advantages and disadvantages of Ratio Analysis. (10marks X 2 = 20)
6. B What is EVA? Explain the importance of EVA.