

**Vidya Vikas Mandal's**  
**Shree Damodar College of Commerce & Economics, Margao-Goa**  
**F.Y.B.Com - Semester II, Supplementary Examination, May/June 2019**  
**Financial Statement Analysis & Interpretation (CC 6)**

**Duration: 2hrs**

**Max. Marks: 80**

**Instructions:**

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

Q.1 From the following Trial balance of Glory Co. Ltd., as on 31st March 2018 Prepare a Statement of Profit & Loss as per schedule III of the companies Act. 2013. **(20 Marks)**

**Trial Balance as on 31st March, 2018**

Particulars	Amount	Particulars	Amount
Interest on Debentures	32,400	Share Transfer Fees	15,000
Travelling Expenses	10,200	12% Debentures	2,70,000
Delivery van expenses	5,100	Commission received	7,400
Bad Debts	6,500	Sales	6,45,500
Discount	7,000	Share Capital	5,00,000
Purchases	3,15,800		
Opening Stock	72,000		
Freight outward	8,400		
Free samples	5,000		
Depreciation	36,000		
Office expenses	11,400		
Bank balance	1,58,600		
Wages	93,000		
Land & Building	4,00,000		
Goodwill	1,47,900		
Insurance	6,000		
Furniture	1,22,600		
<b>Total</b>	<b>14,37,900</b>	<b>Total</b>	<b>14,37,900</b>

**Additional information:**

1. Closing stock was valued at Rs.85,500.
2. Write off Goodwill by 2%.

Q.2 Following is the summary of assets and liabilities of M/s Chanakya Ltd. as on 31<sup>st</sup> March 2018. Prepare Common Size Balance Sheet: (20 Marks)

Liabilities	2018 (Rs)	Assets	2018 (Rs)
Share capital	5,00,000	Premises	4,90,000
General Reserve	40,000	Office equipments	2,00,000
Profit & loss a/c	60,000	Long term Investments	120,000
12% Debentures	2,50,000	Stock	87,000
Creditors	80,000	Debtors	75,000
Provision for tax	80,000	Bank	35,000
Bank Overdraft	15,000	Prepaid Expenses	28,000
Outstanding rent	10,000		
	<b>10,35,000</b>		<b>10,35,000</b>

Q.3 From the following information as on 31<sup>st</sup> March 2018, calculate the following ratios: (20 Marks)

- 1) Current Ratio    2) Liquid Ratio    3) Stock to Working Capital Ratio  
4) Debt Equity Ratio    5) Proprietary Ratio    6) Capital Gearing Ratio

Liability	Amount (Rs.)	Assets	Amount (Rs.)
Equity Share Capital	2,50,000	Computers	45,000
8% Pref. Share Capital	1,50,000	Office building	2,50,000
General Reserve	20,000	Machinery	1,50,000
16% Debenture	1,00,000	Stock	90,000
Profit and Loss A/c	15,000	Debtors	21,000
Creditors	28,000	Bills Receivable	10,000
Bank Overdraft	12,000	Cash in hand	5,000
		Prepaid expenses	4,000
	<b>5,75,000</b>		<b>5,75,000</b>

Q.4 Following are the details of Viventa ltd for the year ended 31<sup>st</sup> March 2017 & 2018: (20 Marks)

Particulars	2017 (Rs.)	2018 (Rs.)	Particulars	2017 (Rs.)	2018 (Rs.)
To Opening Stock	3,50,000	2,00,000	By Sales	11,00,000	12,00,000
To Purchases	7,00,000	9,00,000	By Closing Stock	2,00,000	3,00,000
To Wages	50,000	1,00,000			
To Gross Profit c/d	2,00,000	3,00,000			
	<b>13,00,000</b>	<b>15,00,000</b>		<b>13,00,000</b>	<b>15,00,000</b>
To Office Exp.	1,50,000	2,25,000	By Gross Profit b/d	2,00,000	3,00,000
To Finance Cost	20,000	30,000			
To Net Profit c/f	30,000	45,000			
	<b>2,00,000</b>	<b>3,00,000</b>		<b>2,00,000</b>	<b>3,00,000</b>

Prepare a Comparative Income statement.



Q.5 Crystal Ltd. gives you the following balances of assets and liabilities for the year ended 31<sup>st</sup> March 2017 and 31<sup>st</sup> March 2018. Prepare cash flow statement for the year ended 31<sup>st</sup> March 2018. (20 Marks)

Liabilities	2017 (Rs)	2018 (Rs)	Assets	2017 (Rs)	2018 (Rs)
Share capital	5,00,000	6,00,000	Goodwill	1,00,000	80,000
General Reserve	3,38,000	3,03,000	Land and building	5,00,000	5,50,000
12% Debentures	5,00,000	6,00,000	Investments	80,000	1,00,000
Bank Loan	1,60,000	2,00,000	Plant & Machinery	6,00,000	7,40,000
Creditors	81,800	1,01,400	Stock	60,000	80,000
Proposed dividend	70,000	80,000	Debtors	1,24,000	1,25,000
Provision for tax	80,000	1,11,000	Cash at Bank	2,65,800	3,20,400
	<b>17,29,800</b>	<b>19,95,400</b>		<b>17,29,800</b>	<b>19,95,400</b>

**Additional Information:**

- Investment amounting to Rs 20,000 was sold for Rs.24,000 during the year.
- Tax paid during the year amounted to Rs. 90,000.
- Depreciation charged on Land & Building Rs. 20,000 and on Plant and machinery Rs. 30,000.

Q.6. a) From the following information compute:

(10 Marks)

1) Gross Profit Ratio and 2) Debtors Turnover Ratio:

Particulars	Amt (in Rs.)
1. Total sales	70,000
2. Cash sales	20,000
3. Cost of Goods sold	56,000
4. Opening Balance of Debtors	13,750
5. Closing Balance of Debtors	11,000

Q.6. b) What are the advantages and disadvantages of EVA.

(10 Marks)