

Vidya Vikas Mandal's
Shree Damodar College of commerce & Economics Margao Goa
S.Y.B.Com Semester -IV End Semester Examination – April 2016
Sub: - Financial Accounting

Duration:-2 hrs

Marks:-80

- Instructions: - 1) Attempt any four questions from Q.No.1 to Q.No.6.
 2) Figures to the right indicate maximum marks.
 3) Start each new question on a fresh page.

Q.1) From the following information of BFM Ltd for the years ended 31st March 2014 & 31st March 2015, Prepare Comparative Statements **(20 marks)**

Trading and profit and Loss A/c for the years ended 31st March 2009 and 2010

| | 2009 | 2010 | | 2009 | 2010 |
|---------------------------|-----------------|-----------------|---------------------|-----------------|-----------------|
| To opening stock | 40,000 | 60,000 | By Net sales | 3,00,000 | 5,00,000 |
| To Purchases | 1,50,000 | 4,00,000 | By closing stock | 60,000 | 1,50,000 |
| To wages | 30,000 | 50,000 | | | |
| To carriage inward | 20,000 | 30,000 | | | |
| To manufacturing expenses | 40,000 | 50,000 | | | |
| To gross profit | 80,000 | 60,000 | | | |
| | 3,60,000 | 6,50,000 | | 3,60,000 | 6,50,000 |
| | | | | | |
| To salaries | 5,000 | 6,000 | By gross profit c/d | 80,000 | 60,000 |
| To rent | 4,000 | 5,000 | | | |
| To carriage outward | 6,000 | 5,000 | | | |
| To Advertisement | 10,500 | 6,500 | | | |
| To bad debts | 500 | ----- | | | |
| To interest | 6,500 | 6,500 | | | |
| To provision for taxation | 19,000 | 14,000 | | | |
| To net profit | 28,750 | 17,250 | | | |
| | 80,250 | 60,250 | | 80,250 | 60,250 |
| | | | | | |

| Liabilities | 2009 | 2010 | Assets | 2009 | 2010 |
|----------------------|-----------------|-----------------|--------------|-----------------|-----------------|
| Equity share capital | 3,00,000 | 3,00,000 | Fixed assets | 2,16,500 | 3,60,000 |
| Preference shares | ----- | 2,00,000 | investments | 25,000 | 40,000 |
| General reserve | 68,750 | 86,000 | Stock | 60,000 | 1,50,000 |
| Debentures | 50,000 | 25,000 | Debtors | 1,00,000 | 1,19,500 |
| Bank loan | ----- | 1,00,000 | Bank | 40,000 | 73,500 |
| Sundry creditors | 16,250 | 25,000 | Cash | 8,500 | 5,000 |
| Provision for tax | 15,000 | 12,000 | | | |
| | | | | | |
| | 4,50,000 | 7,48,000 | | 4,50,000 | 7,80,000 |

Q.2)A) From the following summary of assets & liabilities of SAK Ltd prepare Funds flow statement

| Liabilities | 2011 | 2012 | Assets | 2011 | 2012 |
|--|-----------------|-----------------|------------------------|-----------------|-----------------|
| Equity share capital | 3,00,000 | 4,00,000 | Goodwill | 90,000 | 90,000 |
| 8% redeemable preference share capital | 1,50,000 | 1,00,000 | Land & building | 2,30,000 | 1,70,000 |
| General reserve | 40,000 | 70,000 | Plant | 1,13,000 | 2,00,000 |
| Profit & loss a/c | 30,000 | 48,000 | Debtors | 1,80,000 | 2,30,000 |
| Creditors | 97,000 | 1,33,000 | Cash in hand & at bank | 25,000 | 18,000 |
| Other current liabilities | 60,000 | 66,000 | Preliminary expenses | 9,000 | 9,000 |
| | | | Stock | 60,000 | 1,00,000 |
| | | | | | |
| Total | 7,07,000 | 8,17,000 | Total | 7,07,000 | 8,17,000 |

Additional information:-

- 1) Depreciation of Rs 10,000 has been charged to plant & Rs 20,000 to land & building in 2012.
- 2) An interim dividend of Rs 20,000 has been paid in 2012.

(10 marks)

B) From the following information of King & Queen Ltd Prepare common size statements for the year ended 31st March 2011

| Liabilities | Amount | Assets | Amount |
|------------------------------|------------------|-------------------|------------------|
| Equity share capital | 4,00,000 | Land and building | 1,60,000 |
| 10% Preference share capital | 4,00,000 | Plant & Machinery | 6,00,000 |
| 12% debentures | 2,00,000 | Investments | 2,00,000 |
| Reserve and surplus | 2,00,000 | Stock | 3,00,000 |
| Proposed dividend | 1,00,000 | Debtors | 2,00,000 |
| Creditors | 3,00,000 | Cash | 1,40,000 |
| | 16,00,000 | | 16,00,000 |

(10 marks)

Q.3) Following is the Trial Balance of Samsung Ltd. as on 31st March, 2014:

| Particulars | Dr. (Rs.) | Cr. (Rs.) |
|-----------------------------|-----------|-----------|
| Land at cost | 11,50,000 | |
| Plant and Machinery at cost | 38,50,000 | |
| Debtors | 4,30,000 | |
| Investments | 5,80,000 | |
| Bank | 2,00,000 | |
| Gross Profit | | 19,00,000 |
| Sundry Expenses | 1,50,000 | |
| Administration Expenses | 3,50,000 | |
| Selling Expenses | 1,50,000 | |
| Debenture Interest | 1,00,000 | |
| Printing and Stationery | 1,70,000 | |
| Preliminary Expenses | 20,000 | |

| | | |
|--|------------------|------------------|
| Equity Share Capital(Shares of Rs. 100 each, fully paid) | | 15,00,000 |
| 10% Debentures | | 10,00,000 |
| Capital Redemption Reserve | | 6,70,000 |
| Profit and Loss A/c | | 3,60,000 |
| Securities Premium | | 2,00,000 |
| Creditors | | 2,80,000 |
| Provision for Depreciation on Plant and Machinery | | 8,40,000 |
| Provision for Taxation(for year ending 2014-15) | | 4,00,000 |
| | 71,50,000 | 71,50,000 |

Additional information:

- The Authorised Share Capital is 25,000 Equity Shares of Rs. 100 each.
- Depreciation is to be provided on Plant and Machinery at 20% p.a. on reducing balance method.
- Write off Preliminary Expenses in full.

Prepare Profit and Loss Statement for the year ended 31st March, 2014 and a Balance Sheet as on that date.

(20 Marks)

Q.4)A) From the following information calculate (a) Current Ratio (b) Debt Equity ratio (c) Stock turnover ratio (d) liquid ratio (10 marks)

| | |
|-----------------------------|-----------|
| Net sales | 5,00,000 |
| Opening stock | 7,000 |
| Closing stock | 11,000 |
| Net purchases | 4,00,000 |
| Current assets | 88,000 |
| Prepaid expenses | 2,000 |
| Current liabilities | 60,000 |
| 9% debentures | 3,00,000 |
| Long term loan from bank | 1,00,000 |
| 8% preference share capital | 2,00,000 |
| Equity share capital | 10,00,000 |
| Bank overdraft | 5,000 |

B) Calculate (a) Gross Profit ratio (b) Proprietary ratio (c) Return on capital employed (d), Debtors turnover ratio (assume no of days=365)

(10 marks)

| | |
|----------------------|-----------|
| Sales | 43,10,000 |
| Cost of goods sold | 38,10,000 |
| Net profit | 50,000 |
| Equity share capital | 6,00,000 |
| Reserves & surplus | 4,50,000 |
| Preliminary expenses | 20,000 |
| 15% debentures | 4,00,000 |
| Bank loan | 4,00,000 |
| Fixed assets | 12,00,000 |
| Current assets | 9,90,000 |
| Current liabilities | 3,60,000 |
| Sundry debtors | 5,00,000 |

Q.5) Following is the summary of assets & liabilities of Shiv Shakti Ltd for the years ended 31st March 2011 & 31st March 2012

| Liabilities | 31/03/12 | 31/03/11 | Assets | 31/03/12 | 31/03/11 |
|-------------------|-----------------|-----------------|--------------------|-----------------|-----------------|
| Share capital | 2,50,000 | 2,50,000 | Land & building | 1,00,000 | 90,000 |
| General reserve | 1,10,000 | 1,00,000 | Plant & machinery | 1,38,000 | 1,05,000 |
| Profit & loss a/c | 16,000 | 20,000 | Other fixed assets | 22,500 | 15,000 |
| Bank loan | 50,000 | ----- | Investments | 25,000 | 25,000 |
| Creditors | 86,000 | 79,000 | Stock | 95,000 | 1,00,000 |
| Provision for tax | 15,000 | 22,500 | Debtors | 97,500 | 85,000 |
| | | | Bank | 49,000 | 51,500 |
| | | | | | |
| Total | <u>5,27,000</u> | <u>4,71,500</u> | Total | <u>5,27,000</u> | <u>4,71,500</u> |

The following additional information is given to you

- 1) Provide depreciation on land & building Rs 2,500 & on plant & machinery Rs 10,000.
- 2) Dividend of Rs 15,000 was paid during the year.
- 3) Machinery with a book value of Rs 7,500 was sold at a loss of Rs 1,500.
- 4) Investments costing Rs 5,000 was sold for Rs 6,000.
- 5) Provision for tax made during the year was Rs 6,000.

Prepare Cash Flow Statement during the year ended 31st March 2012

(20 marks)

Q.6) Write short notes on any four

(4x5=20)

- 1) Common size statement
- 2) Cash flow statement
- 3) Trend analysis
- 4) Ratio analysis
- 5) Funds from operations
- 6) Comparative statements