

Goa Vidyaprasarak Mandal's
GOPAL GOVIND POY RAITURCAR COLLEGE OF COMMERCE AND
ECONOMICS, PONDA-GOA
B.COM. CBCS (SEMESTER-II) SUPPLEMENTARY EXAMINATION
MAY/JUNE 2018
FINANCIAL STATEMENT ANALYSIS AND INTERPRETATION

Duration: 2 Hours

Marks: 80

- Instruction: - a) Q. No. 1 is compulsory
 b) Answer any three questions from Q. No. 2 to Q. No. 6
 c) Figures to the right indicate marks.

Q. No. 1. Following is the Trial Balance of M/s Timblo Ltd. as on 31.3.2017.
 Prepare the Statement of Profit & Loss and the Balance Sheet as on that date
 as per schedule III of the Companies Act 2013. (20)

Particulars	Amount	Particulars	Amount
Stock (1.4.16)	75000	Purchase return	10000
Purchases	245000	Sales	340000
Wages	30000	Discount received	3000
Carriage inward	950	P/L Account (1.4.16)	15000
Furniture	17000	Share capital	100000
Salaries	7500	Creditors	17500
Rent	4000	General Reserve	15500
Sundry expenses	7050	Bills Payable	7000
Dividend paid	9000		
Debtors	27500		
Bad debts	900		
Plant	29000		
Cash at bank	45300		
Patents	4800		
Bills receivables	5000		
	508000		508000

Additional information:

- Closing stock ` 88000.
- Provide income tax @35%.
- Depreciate Plant @ 15%, Patents @ 5%.
- Outstanding rent ` 800
- Dividend recommended @ 15%.
- Provide ` 600 towards doubtful debts.
- Transfer ` 2000 to General Reserve.

Q. No. 2. Following is the Balance Sheet of M/s Goykar Ltd. as on 31.3.2018. Convert the same into a Common Size Statement. (20)

Particulars	Amount
<u>I. EQUITY & LIABILITIES</u>	
1. Shareholders Fund	
a. Share Capital	700000
b. Reserves & Surplus	300000
2. Non-Current Liability	
a. Long Term Borrowings	230000
b. Other Long Term Liability	45000
c. Long Term Provision	285000
3. Current Liability	
a. Short Term Borrowings	38000
b. Trade Payables	
c. Other Current Liabilities	
d. Short Term Provision	88000
<u>TOTAL LIABILITIES</u>	1686000
<u>II. Assets</u>	
1. Non-Current Assets	
a. Fixed Assets	
i. Tangible Assets	590000
ii. Intangible Assets	320000
b. Non-Current Investment	120000
c. Long Term Loans & Advances	140000
d. Other Non-Current Assets	10000
2. Current Assets	
a. Current Investment	100000
b. Inventories	100000
c. Trade receivables	56000
d. Cash & Cash Equivalents	145000
e. Term Loans & Advances	55000
f. Other Current Assets	50000
<u>TOTAL ASSETS</u>	1686000

Q. No. 3. Following is the Income Statement of M/S Raghav Ltd. as on 31.3.2018. Convert the same into a Comparative Statement showing the increase /decrease along with the absolute change in percentage.

(20)

Particulars	31.3.2017	31.3.2018
I. Revenue From Operations	300000	500000
II Other income	-----	3000
III Total Revenue	300000	503000
IV Expenses		
a) Cost of raw material consumed	-----	-----
b) Purchases of stock in trade	150000	400000
c) Change in inventories	(20000)	(90000)
d) Employee benefit expenses	59000	91000
e) Finance cost	11000	10250
f) Depreciation & Amortisation expenses	6500	6000
g) Other expenses	23500	22000
Total Expenses	230000	439250
V) Profit before tax	70000	61500
VI) Provision for tax	20000	21500
VII) Profit after tax	50000	40000

Q. No. 4. Following is the Income Statement and Balance Sheet of M/s Orion Industries as on 31.3.2017. Compute the following ratios from the information provided.

(20)

- A. Current Ratio
- B. Liquid Ratio
- C. Stock –Working Ratio
- D. Debt /Equity Ratio
- E. Proprietary Ratio
- F. Capital Gearing Ratio

Balance Sheet of M/s Orion Industries as on 31.3.2017.

Liabilities	Amount	Assets	Amount
Share Capital	20000	Plant & Machinery	51000
P/L Account	3000	Computers	14000
General Reserve	4000	Stock in trade	20000
12% Debentures	58000	Sundry Debtors	10000
Sundry Creditors	10000	Bills Receivables	1000
Bank O/D	5000	Cash at Bank	4000
	100000		100000

Q. No. 5. a) Calculate EVA with the help of following information provided by M/s Hindalco Ltd. (5)

12% Debentures	500 lakh
Equity capital	250 lakh
Reserves & surplus	100 lakh
Cost of Equity	18%
Tax rate	30%
NOPAT	110 lakhs

Q. No. 5.b) Prepare the Cash Flow Statement using indirect method for the year ended 31.3.2017 from the records provided by M/S Ramani Enterprises. (15)

Liabilities	31.3.2016	31.3.2017	Assets	31.3.2016	31.3.2017
Capital	5000000	5000000	Plant & Machinery	2730000	4070000
			Less: Depreciation	610000	790000
Retained earnings	2650000	3690000		2120000	3280000
Debentures	-----	900000			
			Current Assets		
Current Liabilities			Debtors	2390000	2830000
Creditors	880000	820000	Less: Provision	150000	190000
Bank loan	150000	300000		2240000	2640000
Liability for expenses	330000	270000			
Dividend payable	150000	300000	Cash in hand	1520000	1820000
			Cash at bank	1180000	1500000
			Stock	2010000	1920000
			Prepaid expenses	90000	120000
	9160000	11280000		9160000	11280000

Additional information:

1. Net profit for the year ended 31.3.2017 was ` 2240000 after charging depreciation of `180000.
2. The company declared dividend of ` 1200000 for the year 2016-2017.

Q. No. 6. Write brief notes on the following: (20)

- 1) Merits of Common Size Statement
- 2) Importance of Ratio Analysis
- 3) Objectives of Cash Flow Statement
- 4) Proprietary Ratio
- 5) Gross Profit Ratio

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