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Goa Vidyaprasarak Mandal's
GOPAL GOVIND POY RAITURCAR COLLEGE OF COMMERCE AND
ECONOMICS, PONDA- GOA
B.COM. CBCS (SEMESTER II) SUPPLEMENTARY EXAMINATION,
MAY/JUNE 2019
FINANCIAL STATEMENT ANALYSIS AND
INTERPRETATION

Time: 2 hours

Marks: 80

- Instructions :
- 1) Question No. 1 is compulsory.
 - 2) Answer any three questions from Q.No.2 to Q.No.6.
 - 3) All working notes shall carry marks.

Q.1)

(20)

Given below are the balances of Disney Fans Ltd. for the years ended 31st March 2017 and 2018. You are required to prepare a Cash Flow Statement from the same.

Debit balances	2017	2018	Credit balances	2017	2018
Cash in hand	49,800	47,500	Creditors	1,33,650	1,95,350
Goodwill	8,200	Nil	Eq. share capital	3,60,000	3,00,000
Debtors	1,17,300	1,67,800	Profit & loss A/c	20,450	33,450
Stock	55,600	90,500	General reserve	1,10,000	1,60,000
Machinery	3,72,000	3,80,000	Provi. for tax.	50,000	32,000
Investments	1,00,000	50,000	Proposed divi.	28,800	15,000
	7,02,900	7,35,800		7,02,900	7,35,800

Additional information:

1. Dividend paid during the year 2018 ` 15,000
2. Income tax paid during the year ` 32,000
3. The company sold a machinery costing ` 9,000 for ` 3,000.

Q.2)

(20)

Mukund Pvt. Ltd. had an authorized capital of ` 12,00,000 divided into equity shares of ` 100 each. The balances as per ledger of the company as on 31st March 2019 are as follows:

Particulars	`	Particulars	`
Calls in arrears	15,000	Profit and loss app a/c	29,000
Premises	6,00,000	Stock on 1-4-18	1,50,000
Plant and machinery	7,20,000	Fixtures	14,400
Purchases	3,85,000	Debtors	1,74,000
Preliminary expenses	10,000	Goodwill	50,000
Carriage inward	26,200	Wages	1,69,600
Directors fees	11,480	General expenses	33,800
Bad debts	4,220	Salaries	29,000
6% Debentures	6,00,000	Debenture interest paid	19,000
Share capital (9200 shares of ` 100 each)	9,20,000	Bills payable	76,000
Return outward	15,000	Sales	8,60,000
4% government securities	1,20,000	Return inward	30,000
		Rent received	20,000
		Interest received on Govt. securities	2,000

Prepare **Profit and loss statement** in the prescribed format as on that date, after taking into account the following:

1. Depreciate Plant & machinery at 10% and fixture at 5%.
2. Write off 1/5th of preliminary expenses
3. Create 5 % provision on sundry Debtors.
4. Make provision for income tax at ` 50,000
5. The stock as on 31st March 2019 ` 2,02,000
6. Interest on debentures and government securities is outstanding

Q.3) (20)

Given below are the balances of philosophy entertainers Pvt. Ltd. as on 31st March 2019. You are required to prepare a Common size balance sheet in the prescribed format with notes and comments.

Equity share capital	1,25,000	Goodwill	79,000
13% pref. share Cap.	50,000	Land & building	1,12,000
8% Debentures	38,500	Plant & machinery	87,500
Profit & Loss A/c	65,000	Furniture	32,500
Share Premium	25,000	Long term investment	29,500
General reserve	61,500	Bills receivable	12,500
Bank overdraft	26,000	Debtors	55,000
Creditors	52,000	Prepaid expenses	3,500
Bills payable	12,500	Cash and bank balances	16,500
Proposed Dividend	5,000	Stock	45,000
Outstanding expenses	12,500		

Q.4) (20)

Given below are the balances from the books of Suman Limited for the year ended 31st March 2019

<u>Liabilities:</u>	`	<u>Assets:</u>	`
10,000 equity shares of `10 each	1,00,000	Fixed assets	2,50,000
General reserve	50,000	Stock	60,000
Profit and loss A/c	1,00,000	Debtors	40,000
8% Debentures	80,000	Cash and bank	30,000
S. Creditors	50,000	Prepaid expenses	20,000
Proposed dividend	20,000		

Additional information:

Sales for the year ` 1,50,000

Cost of sales ` 1,00,000

Net profit after Interest and Taxes ` 25,000

You are required to calculate **Current Ratio, Gross Profit Ratio, Net profit Ratio, Capital Gearing Ratio, Stock to working capital Ratio, Proprietary Ratio.**

Q.5) (20)

Given below are the balances of Jhingat Pvt. Ltd. as on 31st March 2019. You are required to prepare a comparative Income statement in the prescribed format showing absolute increase/ decrease in figures and in percentages.

Particulars	2017	2018
Sales	400000	4,60,000
Income on investments	12,000	14,000
Profit on sale of furniture	Nil	23,000
Other incomes	3,000	10,000
Purchases	3,15,000	3,45,000
Salaries	5,000	12,000
Wages	11,000	22,000
Advertisements	5,000	13,000
Depreciation	4,000	15,000
Debenture interest	10,000	19,000
Bank loan interest	5,000	11,000
Repairs	25,000	30,000
Provision for taxation	12,000	10,000
Opening stock	20,000	25,000
Closing stock	30,000	45,000

Q.6A)

(15)

The following are the balance sheets of Newton India Pvt Ltd. As on 31st March 2019.

Particulars	Amount	Particulars	Amount
Equity share capital	1,00,000	Building	50,000
6% Preference share cap	50,000	Plant & machinery	60,000
7% debentures	20,000	Land	50,000
Profit & Loss A/c	5,000	Furniture	2,000
General Reserve	25,000	Stock	22,000
O/s expenses	15,000	Debtors	50,000
Creditors	25,000	Prepaid expenses	1,000
Bills payable	4,000	Cash & bank	12,000
		Preliminary expenses	2,000

Calculate: **Current Ratio; Liquid Ratio; Stock To Working Capital Ratio; Proprietary Ratio; Capital Gearing Ratio.**

Q.6B)

(5)

Calculate Economic Value Added of Simona Enterprises with the help of following information:

NOPAT : ` 2940 lakhs

Capital structure:

Equity share capital ` 5100 lakhs

Reserves and surplus ` 3900 lakhs

12% debentures ` 1200 lakhs

Cost of equity 17.5%

Income tax rate 30%