

**Goa Vidyaprasarak Mandal's
GOPAL GOVIND POY RAITURCAR COLLEGE OF COMMERCE AND
ECONOMICS, PONDA- GOA**

**B.COM. CBCS (SEMESTER - II) EXAMINATION, APRIL 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 Walt Fenny 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 | 4,30,000 | 5,80,000 | Creditors | 3,30,000 | 4,00,000 |
| Goodwill | 1,20,000 | 1,20,000 | Outstanding expenses | 35,000 | 45,000 |
| Debtors | 8,00,000 | 9,00,000 | 3% Debentures | 4,00,000 | 3,50,000 |
| Stock | 3,20,000 | 4,00,000 | Eq. share capital | 20,00,000 | 22,00,000 |
| Investment (long term) | 5,00,000 | 3,00,000 | Profit & loss A/c | 2,35,000 | 3,20,000 |
| Machinery | 2,20,000 | 3,25,000 | Provi. for taxation | 20,000 | 30,000 |
| Building | 6,30,000 | 7,20,000 | | | |
| | 30,20,000 | 33,45,000 | | 30,20,000 | 33,45,000 |

Additional information:

1. Dividend paid during the year 2018 ` 2,65,000
2. Investment costing ` 2,00,000 was sold for ` 2,50,000
3. Depreciation charged at ` 20,000 on Machinery and ` 15,000 on Building.

Q.2) (20)

Following is the trial balance of Colgate Ltd. As on 31st March 2019.

| Particulars | Debit (₹) | Credit (₹) |
|------------------------------------|-------------|-------------|
| 4,00,000 equity shares of `10 each | | 40,00,000 |
| 12% Debentures | | 30,00,000 |
| Profit & loss A/c (as on 1/4/2018) | | 2,62,500 |
| Bills Payable | | 3,70,000 |
| Creditors | | 4,00,000 |
| Sales | | 41,50,000 |
| General reserve | | 2,85,000 |
| Premises | 34,72,000 | |
| Plant and machinery | 33,81,000 | |
| Opening stock | 7,50,000 | |
| Debtors | 8,70,000 | |
| Goodwill | 2,50,000 | |
| Cash and bank balance | 3,93,000 | |
| Purchases | 18,50,000 | |
| Preliminary expenses | 50,000 | |
| Salaries | 9,79,800 | |
| General expenses | 68,350 | |
| Advertisement expenses | 2,02,250 | |
| Bad debts | 21,100 | |
| Interest on debentures | 1,80,000 | |
| | 1,24,67,500 | 1,24,67,500 |

Additional Information:

1. Authorized capital of the company is 5,00,000 equity shares of ` 10 each
2. Write off 10% of preliminary expenses
3. Closing stock ` 9,50,000
4. Create provision for doubtful debts @5% on debtors
5. Provide ` 1,80,000 for income tax
6. Depreciate plant and machinery @ 15 % p.a.
7. Net profit for the current year ` 1,32,850.

You are required to prepare **Balance Sheet** as on 31st March 2019 .

Q.3) (20)

Given below are the balances of Aeronuts Organisers Pvt. Ltd. as on 31st March 2019. You are required to prepare a Common size Income statement in the prescribed format with required notes and comments.

| | | | |
|--------------------------|----------|------------------------------|-----------|
| Opening stock | 2,75,000 | Sales | 12,20,000 |
| Purchases | 3,50,000 | Closing stock | 2,00,000 |
| Wages | 3,00,000 | Return outwards | 25,000 |
| Carriage inward | 50,000 | Return inwards | 20,000 |
| Salaries | 1,50,000 | Interest recd. on Investment | 20,000 |
| Printing & stationery | 1,20,000 | Profit on sale of assets | 30,000 |
| Advertising | 1,30,000 | | |
| <u>Depreciation on :</u> | | | |
| Plant & machinery | 75,000 | | |
| Furniture | 70,000 | | |
| Motorcar | 75,000 | | |
| Interest on Bank loan | 25,000 | | |
| Debenture Interest | 30,000 | | |
| Provision for taxes | 75,000 | | |

Q.4) (20)

Given below are the balances of Perrywinkle Ltd as on 31st March 2019.

| | | | |
|-----------------------------|----------|----------------------|----------|
| Equity share capital | 3,00,000 | Land | 50,000 |
| 8% Preference share capital | 4,00,000 | Building | 3,00,000 |
| General reserve | 50,000 | Plant & machinery | 3,00,000 |
| Profit & loss A/c | 50,000 | Furniture & Fixtures | 40,000 |
| 12% Debentures | 2,00,000 | Sundry Debtors | 2,00,000 |
| Creditors | 60,000 | Closing stock | 1,50,000 |
| Outstanding expenses | 15,000 | Cash in hand | 40,000 |
| Provision for taxation | 20,000 | Prepaid expenses | 10,000 |
| Proposed dividend | 30,000 | Preliminary expenses | 35,000 |

You are required to calculate: **Current Ratio, Quick Ratio, Debt Equity Ratio, Capital Gearing Ratio, Proprietary Ratio.**

Q.5) (20)

Given below are the balances of Dhadak Pvt. Ltd. As on 31st March 2019. You are required to prepare a comparative balance sheet in the prescribed format showing absolute increase/ decrease in figures and in percentages.

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| Particulars | 2017 | 2018 | Particulars | 2017 | 2018 |
|---------------------|----------|-----------|----------------------|----------|-----------|
| Equity share capit. | 8,00,000 | 12,00,000 | Land & Bldg | 6,70,000 | 16,12,000 |
| General reserve | 5,60,000 | 6,30,000 | Plant & machine. | 1,02,000 | 1,68,000 |
| Profit and loss a/c | 80,000 | 1,00,000 | Furniture | 18,000 | 36,000 |
| 8% Debentures | 4,00,000 | 6,50,000 | Investments | 5,40,000 | 3,40,000 |
| S. Creditors | 5,14,000 | 2,34,000 | Debtors | 4,18,000 | 3,80,000 |
| Prov. For taxation | 14,000 | 28,000 | Cash at bank | 5,56,000 | 2,80,000 |
| | | | Preliminary expenses | 64,000 | 26,000 |

Q.6A) (15)
Following is the information belonging to Aditya Ltd. as on 31st March 2019.

| | | | |
|-----------------------------|--------|---------------------------------|----------|
| Opening stock | 28,000 | Provision for tax | 2,000 |
| Closing stock | 22,000 | 1600 equity shares of ` | |
| Purchases | 44,500 | 100 each | 1,60,000 |
| Sales | 90,000 | 7% preference shares | 50,000 |
| Return inwards | 10,000 | Market price of an equity share | 30 |
| Carriage inwards | 4,000 | | |
| Office expenses | 3,000 | | |
| Selling & distribution expe | 1,000 | | |

Calculate:

1. Gross Profit Ratio
2. Net profit Ratio
3. Stock turnover Ratio
4. Return on equity share capital
5. Earnings per share

Q.6B) (5)

Calculate Economic Value Added of Riya Electronics with the help of following information:

NOPAT : ` 1650 lakhs

Capital structure:

Equity share capital ` 30000 lakhs

Reserves and surplus ` 2250 lakhs

12% debentures ` 750 lakhs

Cost of equity 17%

Income tax rate 30%

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