

**GOPAL GOVIND POY RAITURCAR COLLEGE OF  
COMMERCE AND ECONOMICS, PONDA- GOA**

**B.COM. CBCS(SEMESTER-II) SUPPLEMENTARY EXAMINATION,**

**DECEMBER 2020**

**FINANCIAL STATEMENT ANALYSIS & INTERPRETATION**

**Duration: 2 Hours**

**Marks: 40**

Q.1 Answer any TEN questions from the following (10 x 2 mks = 20)

1. Write a short note on disclosure of 'Reserves and Surplus' in Balance sheet of a limited company.
2. What is Short Term Provision? Explain with examples
3. Classify the following under 'Appropriate Heads' based on their disclosure in Balance sheet.
  - a) Securities premium
  - b) Provision for taxation
  - c) Intellectual Property Rights
  - d) Trade receivables
4. Give the accounting treatment of following items appearing in trial Balance
  - a) calls in arrears
  - b) unclaimed Dividend
  - c) share premium A/c
  - d) Interest on sinking fund investment
5. What is a Comparative Financial Statement?
6. What is Common Size Statement?
7. What is 'Interpretation' in Financial Statement Analysis
8. Write a note on Trend Analysis.
9. Write a short note on Shareholders Fund
10. What is Non Operating Income?
11. What is Retained Earnings
12. Give the classification of Ratios based on its Source( traditional classification).
13. Write a note on Standard Current Ratio.
14. Give four examples of Cash Inflows
15. What is Cash flow from Financing Activities?
16. What is Cash Flow from Investing Activities?

Q.2 Answer any FOUR questions from the following ( 4x 5 mks = 20)

1. Ajanta Ltd was formed with a capital of Rs. 10lakh divided into 10000 equity shares of Rs 100 each. Out of these 8000 shares were issued and fully subscribed. All calls were made and all money was received except on 300 shares at Rs 30 per shares, 200 shares of which were forfeited. Prepare a NOTE on share capital for a limited company.

2. from the following prepare a statement of Profit & Loss for the year ended 31<sup>st</sup> March 2019.

Particulars	Amount ( Rs)
Revenue from Operation	26,000
Other Income	400
Cost of material consumed	10000
Change in inventories	(3000)
Employee benefit expenses	8000
Finance cost	200
Depreciation and amortization expenses	1000
Other expenses	1500
Tax rate 25%	

3. From the following information, prepare relevant NOTES to accounts

Particulars	Amount ( Rs)
Closing stock of finished goods	8000
Loose tools	1000
Stores and spares	3000
Sundry Debtors	15000
Provision for doubtful debts	1500
Bills receivables	3000
Cash balance	4000
Bank balance	6000
Prepaid expense	2000

4. Prepare a Comparative Income statement for the following

Particulars	Year 2017	Year 2018
i) Revenue from operations	2,00,000	4,00,000
ii) Other incomes	10,000	13,000
iii) Total revenue	2,10,000	4,13,000
iv) Expenses		
1. Cost of material consumed	60,000	1,80,000
2. Other expenses	45,000	93,000
Total Expenses	1,05,000	2,73,000
v) Net Profit before Tax	1,05,000	1,40,000

5. Prepare a vertical Common size Income statement from the following information

Net sales – 9,00,000;      Cost of goods sold – 8,00,000

Administrative expenses – 75,000;   Selling Expenses – 7000; Depreciation – 10,500

6. Calculate Cash flow from Operating activities from the given information

	2018	2019		2018	2019
Share capital A/c	1,00,000	1,50,000	Fixed assets	1,00,000	1,50,000
Profit and loss A/c	50,000	80,000	Goodwill	50,000	40,000
General Reserve	30,000	40,000	Stock	50,000	80,000
6% Debentures	50,000	60,000	Debtors	50,000	80,000
S. creditors	30,000	40,000	Bills receivable	10,000	20,000
Outstanding expenses	10,000	15,000	Bank	10,000	15,000
	<b><u>2,70,000</u></b>	<b><u>3,85,000</u></b>		<b><u>2,70,000</u></b>	<b><u>3,85,000</u></b>