

**Goa Vidyaprasarak Mandal's
GOPAL GOVIND POY RAITURCAR COLLEGE OF
COMMERCE AND ECONOMICS, PONDA- GOA
B.COM. CBCS(SEMESTER-II) SUPPLEMENTARY EXAMINATION,
AUGUST 2021
FINANCIAL STATEMENT ANALYSIS AND INTERPRETATION**

Duration : 2 Hours

Marks : 40

Instructions:

1. Answer any FOUR questions out of Six.
2. Figures to the right indicate full marks
3. All working notes will carry marks

Q. 1)

(10 mks)

The trial balance of Go Goa Go Ltd as on 31st march 2020 is given as below:

Debit balances	Amount	Credit balances	Amount
Calls in arrears	5,000	Authorised capital : 60000	<u>600,000</u>
Building	2,00,000	equity shares of Rs. 10 each	
Plant & machinery	2,40,250	Issued and subscribed capital	4,00,000
Interim dividend paid	25,000	8% Debentures	2,00,000
Opening stock	1,90,000	Profit & loss A/c	21,400
Furniture	5000	Bills payable	90,000
Patterns and patents	91500	Sundry creditors	1,97,000
Sundry debtors	2,77,000	Sales	12,35,000
Cash in hand	4,500	Discount received	11,800
Cash at bank	88,000	Sinking fund for redemption of	
Purchases	6,36,550	debentures	50,000
Preliminary expenses	8,000	Provision for doubtful debts	12,500
Sinking fund investment	50,000	Royalties received	3,500
Wages	2,95,000	Interest on sinking fund	
Repairs and renewals	12,000	investment	2,000
Factory power	25,000		
Rates and taxes	13,500		
Salaries	11,250		
Travelling expenses	10,750		
Discount allowed	20,200		
Directors fees	4,200		
Bad debts	2,500		
Debenture interest	8,000		
	22,23,200		22,23,200

Prepare Income statement for the year after considering the following information:

1. Depreciate plant and machinery, furniture, patterns and patents at 10%
2. Write off Rs. 2,000 from preliminary expenses
3. Transfer Rs. 10000 to sinking fund for redemption of debentures
4. Provide RDD at 5% on debtors
5. Closing stock was valued at Rs. 80,750
6. The directors proposed a dividend of 2% on equity share capital.

Q. 2)

(10 mks)

Prepare a comparative Revenue statement in vertical form from the following details:

Particulars	2018	2019	Particulars	2018	2019
To opening stock	225,000	300,000	By sales	4500,000	6000,000
To purchases	2250,000	3210,000	By closing stock	300,000	360,000
To interest on debentures	150,000	150,000	By dividend	12,000	39,000
To depreciation on			By profit on sale of machinery	24,000	----
Furniture	15,000	15,000			
Machinery	36,000	30,000			
To administrative expenses	294000	441,000			
To selling expenses	456,000	753,000			
To carriage outward	75,000	315,000			
To loss by fire	----	15,000			
To wages	195,000	300,000			
To taxes	570,000	435,000			
To net profit	570,000	435,000			
	4836,000	6399,000		4836000	6399,000

Q.3)

(10mks)

Prepare a common size Balance Sheet from the following in vertical form.

Equities and liabilities	Amount	Assets	Amount
Equity share capital	200,000	Fixed assets	450,000
10% preference share capital	250,000	Investments	200,000
General Reserve	150,000	Stock	75,000
Profit and loss A/c	30,000	Debtors	250,000
12% debentures	120,000	Bills receivable	125,000
Creditors	300,000	Cash	40,000
Bills payable	80,000	Preliminary expenses	10,000
Outstanding expenses	20,000		
	11,50,000		11,50,000

Q.4)

(10 mks)

Following is the revenue statement of M/s Shashikant Ltd as on 31st March 2020

Particulars	Amount	Particulars	Amount
To opening stock	54,300	By sales	540,000
To purchases	327,150	By closing stock	84,000
To carriage inward	8,550	By interest received	5,400
To office expenses	90,000		
To sales expenses	27,000		
To loss on sale of fixed asset	2,400		
To net profit c/f	120,000		
	629,400		629,400

Calculate the following ratios: 1. Selling Expense ratio 2. Stock turnover Ratio 3. Operating Ratio 4. Net Profit before Tax Ratio 5. Gross Profit Ratio.

Q.5)

(10 mks)

Following are the balance sheets of Soniya Electronics Ltd

Liabilities	31-3-2019	31-3-2020	Assets	31-3-2019	31-3-2020
Share capital	1000,000	1000,000	Land & Bldg	1000,000	950,000
General Reserve	300,000	800,000	P& M	800,000	700,000
P& L A/c	152,000	140,000	Sundry Debtors	308,000	514,000
Bank Loan	300,000	350,000	Equipments	80,000	70,000
Provision for Tax	100,000	100,000	Stock	140,000	200,000
Proposed Dividend	50,000	-----	Cash	20,000	6,000
Sundry creditors	460,000	550,000	Goodwill	14,000	-----
	2362,000	2440,000		2362,000	2440,000

Other information:

1. Provision for tax made during the year Rs. 130,000
2. Purchased machinery Rs. 50000, and equipment Rs. 20,000 during the year ended 31-03-2020.

Prepare **Cash Flow Statement** by Indirect method for the year ended 31st March 2020.

Q.6) Write short notes on

(10 mks)

1. Disclosure of Reserves and surplus
2. Objectives of financial statement analysis
3. Capital Gearing Ratio
4. Cash flow from Operating activities