

PRABODHAN EDUCATION SOCIETY'S  
 VIDYA PRABODHINI COLLEGE OF COMMERCE, EDUCATION, COMPUTER AND MANAGEMENT,  
 VIDYANAGAR, PARVARI, GOA.  
**F.Y.B.COM SEMESTER END EXAMINATION APRIL 2019 (REGULAR/REPEAT)**  
**SUB: FINANCIAL STATEMENT ANALYSIS & INTERPRETATION**

**SEMESTER: II      CLASS: F.Y.B.COM      DURATION: 2 HOURS      MAX.MARKS:80**

- Instructions:**
1. Question No.1 is **compulsory**
  2. Answer **any 3** from Question no. 2 to Question no.6
  3. Each Question carries **20 marks**.

Q1. Amol Co. Ltd., provides you the following information. You are required to prepare a Balance Sheet of the company as on 31<sup>st</sup> March 2019 as per Schedule III of the Companies Act 2013.

Particulars	Rs.	Particulars	Rs.
Equity Share Capital	2600000	Advances to employees	150000
General Reserves	30000	Discount on issue of Debentures (unwritten off)	12500
12% Debenture	400000	Tools and Equipment	375000
Land & Buildings	1554970	Gratuity Fund	300000
Goodwill	1000000	Debtors	138520
Bank Overdraft	245100	Cash at Bank	157160
Proposed Dividend	82000	Stores & Spares	177800
Prepaid Insurance	25000	Profit & Loss A/c	21490
Mutual Fund	168000	Bills Receivable	44600
Interest Payable	32400	Sundry Creditors	92560

**(1x20 =20 Marks)**

Q2. From the following financial statements, prepare comparative Revenue statement:

**Green Limited**  
**Profit and Loss account for the year ended 31<sup>st</sup> March, 2018 & 2019**

	31.12.18	31.12.19		31.12.18	31.12.19
To Opening Stock	4,000	6,000	By Sales	30,000	50,000
To Purchases	15,000	40,000	By Closing Stock	6,000	15,000
To Wages	5,000	8,000			
To Factory Expenses	4,000	5,000			
To Gross Profit c/d	8,000	6,000			
	<b>36,000</b>	<b>65,000</b>		<b>36,000</b>	<b>65,000</b>
To Office expenses	900	1,100	By Gross Profit b/d	8,000	6,000
To selling and Distribution Exp.	1,650	1,150	By Interest on Investment	600	700
To Finance Expenses	400	200			
To provision for Tax	1,500	1,200			
To Net Profit	4,150	3,050			
	<b>8,600</b>	<b>6700</b>		<b>8,600</b>	<b>6,700</b>

**(1x20 =20 Marks)**

Q3. Following is the Balance Sheet of RM Limited as on 31<sup>st</sup> March, 2019.

Liabilities	Rs.	Assets	Rs.
Share Capital	1,50,000	Goodwill	20,000
Share Premium Account	80,000	Machinery	1,00,000
General Reserve	60,000	Premises	2,40,000
Capital Reserve	20,000	Furniture	10,000
6% Debentures	50,000	Govt. Bonds	8,000
Bank Loan (Long Term)	35,000	Debtors	70,000
Bank Overdraft	1,10,000	Stock	80,000
Sundry Creditors	60,000	Cash at Bank	40,000
Provision for Taxation	20,000	Prepaid Expenses	12,000
		Preliminary Expenses	5,000
	<b>5,85,000</b>		<b>5,85,000</b>

Convert the above balance sheet into common-size vertical form.

**(1x20 =20 Marks)**

Q4. From the following statements of X Ltd., for the year ending 31<sup>st</sup> March, 2019, you are required to calculate the following ratios:

1. Current Ratio
2. Liquid Ratio
3. Proprietary Ratio
4. Stock-Working Capital Ratio
5. Gross Profit Ratio
6. Operating Ratio
7. Net Profit Ratio

**BALANCE SHEET** as on 31<sup>st</sup> Mach, 2019

Liabilities	Rs.	Assets	Rs.
Share capital :		Land Buildings	5,00,000
Issued and fully paid up :		Plant and Machinery	2,00,000
50,000 Equity shares of Rs. 10 each	5,00,000	Stock	1,50,000
General Reserve	4,00,000	Debtors	2,50,000
Profit and Loss A/c	1,50,000	Cash and Bank Balance	1,50,000
Sundry Creditors	1,50,000		
Bank over draft	50,000		
	<b>12,50,000</b>		<b>12,50,000</b>

**PROFIT AND LOSS ACCOUNT** for the year ending 31-3-2019

	Rs.		Rs.
To opening Stock	2,50,000	By Sales	18,00,000
To Purchases	10,50,000	By Closing Stock	1,50,000
To Gross Profit	6,50,000		
	<b>19,50,000</b>		<b>19,50,000</b>
To Selling and Distribution Exp.	1,00,000	By Gross Profit	6,50,000
To Administration Exp.	2,30,000	By Profit on sale of fixed assets	50,000
To Finance Exp.	20,000		
To Net Profit	3,50,000		
	<b>7,00,000</b>		<b>7,00,000</b>

**(1x20 =20 Marks)**

Q5. Following are Balance Sheet of Zee Ltd. As on 31<sup>st</sup> March 2018 and 31<sup>st</sup> March 2019.

**Balance Sheet**

Liabilities	31-3-2018 ₹	31-3-2019 ₹	Assets	31-3-2018 ₹	31-3-2019 ₹
Share Capital	10,00,000	10,00,000	Land & Building	10,00,000	9,50,000
General Reserves	3,00,000	3,00,000	Plant & Machinery	8,00,000	7,00,000
Profit & Loss Account	1,52,000	1,40,000	Sundry Debtors	3,08,000	5,14,000
Bank Loan	3,00,000	3,50,000	Equipment's	80,000	70,000
Provision for Tax	1,00,000	1,00,000	Stock	1,40,000	2,00,000
Proposed dividend	50,000		Cash	20,000	6,000
Sundry Creditors	4,60,000	5,50,000	Goodwill	14,000	
<b>Total</b>	<b>23,62,000</b>	<b>24,40,000</b>	<b>Total</b>	<b>23,62,000</b>	<b>24,40,000</b>

**Other Information:**

- I. Dividend of ₹50,000 was paid during the year ended 31<sup>st</sup> march 2019.
- II. Depreciation was provided on Land & building, Plant and Machinery & Equipment's for the year ended 31<sup>st</sup> March 2019.
- III. Machinery of ₹50,000 and Equipment of ₹20,000 were acquired during the year ended 31<sup>st</sup> March 2019.
- IV. Income Tax Provision was made for the year ended 31<sup>st</sup> March 2019 of ₹1,30,000

Prepare Cash Flow Statement by Indirect Method as per AS-3 for the year ended 31<sup>st</sup> March 2019

**(1x20 =20 Marks)**

Q6. Write short notes on following.

1. Ratio Analysis
2. Financial Statement Analysis
3. Cash Flow Statement
4. Economic Value Added (EVA)

**(4x5 =20 Marks)**