

**CARMEL COLLEGE OF ARTS, SCIENCE & COMMERCE FOR WOMEN,
NUVEM-GOA**

SEMESTER END EXAMINATION JULY 2021

Semester: II OF .B.Com

**Course name & Code: UCOC104-Financial Statement Analysis & Interpretation
Total marks: 40 Date:12/07/2021 Duration: Two Hours Total No of pages: 4**

Instructions: 1. All questions carry equal marks.

2. Attempt any FOUR out of six questions.

3. Prepare working notes wherever necessary,

Q1. Answer any FOUR questions from Q1 A to Q1F

Marks

A The following information is available from the books of Apoorva Ltd. **(10)**

Particulars	Debit (₹)	Credit (₹)
Equity Share Capital		1,50,000
Securities Premium		20,000
General Reserve		28,200
6% Debentures		10,000
Land And Building	80,000	
Plant And Machinery	1,36,000	
Non-Current Investments	20,000	
Balance At Bank	4,600	
Cash In Hand	160	
Profit And Loss Account (1.4.2020) –		5,000
Sundry Creditors		12,000
Income Tax Deducted At Source	240	
Sundry Debtors-	14,000	

Additional Information:

1. Authorized Share Capital of the company is 20,000 equity shares of ₹ 10 each
2. Closing Stock ₹ 14,000
3. Depreciation to be provided 5% on Land and Building and 15% on Plant and Machinery.-
4. Provision for Taxation was ₹ 9,800.
5. Net Profit After Tax for the Current Year is ₹ 9,600

Prepare a Balance Sheet for the year ending 31st March 2021 as per Schedule III of the Companies Act, 2013.

- B.** From the following information prepare a **Comparative Profit and Loss Account** of Sweety Ltd. in a vertical format and interpret the results of the same: (10)

Particulars	2020 (₹)	2021(₹)
Sales	1,35,000	1,44,000
Less: Cost of Goods Sold	1,26,000	1,35,000
Gross Profit	9,000	9,000
Rental Income	4,500	13,500
Gross Revenue	13,500	22,500
Less: Administrative Expenses	1,800	3,375
Selling and Distribution	5,400	8,100
Finance Expenses	3,375	2,700
Total Expenses	10,575	14,175
Net Profit Before Tax	2,925	8,325
Less: Provision for Tax	225	2,700
Profit After Tax	2,700	5,625

- C** From the following income statement prepare a **Common Size Profit and Loss Account** in the books of Cassia Ltd. and interpret the results of the same. (10)

Particulars	₹
Net Sales	4,50,000
Purchases of Stock in Trade	1,25,000
Salaries and Wages	38,000
Rent	5,000
General Expenses	15,000
Insurance	4,000
Contribution to Provident Fund	1,000
Advertisement	4,500
Printing and Stationery	5,500
Other Income	10,000
Provision for Tax	30%

- D** Ms. Denzilia Ltd. furnished their position as follows (10)

Particulars	2016 (₹)	2017 (₹)	2018 (₹)
ASSETS			
Fixed Assets	30,000	25,500	43,800

Non- Current Investment	13,000	13,000	18,400
Current Assets	27,000	33,200	18,900
TOTAL	70,000	71,700	81,100
LIABILITIES			
Share Capital	33,000	31,350	41,000
Debentures	27,000	28,350	9,500
Current Liabilities	10,000	12,000	30,600
TOTAL	70,000	71,700	81,100

Prepare trend balance sheet in vertical format and indicate the movement of the trend i.e. upward or downward.

E From the following information given in the financial statements below, (10) calculate:

- i) Current Ratio
- ii) Acid Test Ratio
- iii) Gross Profit Ratio
- iv) Equity Ratio
- v) Proprietary Ratio
- vi) Basic Defence Interval (Annual Cash Expense= ₹ 3,65,000)
- vii) Administrative Expenses to Sales Ratio.
- viii) Net Profit Ratio
- ix) Return on Equity
- x) Earnings Per Share

Balance Sheet of Sheryl Ltd. as at 31st March 2021			
Liabilities	₹	Assets	₹
Share Capital (70,000 shares @ ₹ 10 per share)	7,00,000	Fixed Assets	6,01,000
Reserves and Surplus	1,80,000	Closing Stock	1,96,000
Current Liabilities	37,000	Debtors	90,000
		Bank	30,000
	9,17,000		9,17,000
Trading and Profit and Loss Account of Sheryl Ltd.			
For the year ending 31st March 2021			
Liabilities	₹	Assets	₹
To Opening Stock	1,52,500	By Sales	10,01,000

To Purchases	6,30,500	By Closing Stock	1,96,000
To Carriage Inward	4,000		
To Wages	10,000		
To Gross Profit	4,00,000		
	11,97,000		11,97,000
To Administrative Expenses	2,02,000	By Gross Profit b/d	4,00,000
To Salaries	24,000	By Rent Received	12,000
To Interest Paid	14,000		
To Taxes Paid	4,000		
To Net Profit c/d	1,68,000		
	4,12,000		4,12,000

F. Draft the format of a Cash Flow Statement of a Manufacturing Company. (10)
