

- Instructions:** 1. Question No. 1 is compulsory.  
 2. Answer any three questions from Q.No.2 to Q.No.6.  
 3. Figures to the right indicate marks.  
 4. Working Notes should form part of the answer.

**Q1.** X Ltd. was registered with an authorized share capital of Rs. 10,00,000. (20)  
 From the following trial balance given below, prepare the **Statement of Profit and Loss and Balance Sheet** as on 31<sup>st</sup> March 2019 as per Schedule III of the Companies Act, 2013.

Particulars	₹	Particulars	₹
Opening Stock	1,86,420	Equity Share Capital	
Purchases	7,18,210	(40,000 shares of ₹ 10 each)	4,00,000
Sales Return	12,680	18% Bank Loan	50,000
Manufacturing Wages	1,09,740	Trade Payables	62,220
Carriage Inward	4,910	Profit & Loss A/c- Op. Bal.	38,640
Interest paid on Bank Loan	4,500	Sales	11,69,900
Salaries	44,120	Purchase Returns	9,850
Auditors Fees	8,600		
Preliminary Expenses	6,000		
Land	1,64,210		
Plant and Machinery	1,28,400		
Furniture	5,000		
Fixtures	12,500		
Trade Receivables	1,05,400		
Cash and Cash Equivalent	1,16,390		
Short Term Loans & Advances	84,290		
Sundry Expenses	19,240		
	<b>17,30,610</b>		<b>17,30,610</b>

**Additional Information: -**

- Write off preliminary expenses.
- Make a provision for income tax @ 30% on profit before tax.
- On 31.3.2019 there were outstanding wages of Rs. 1,890 and outstanding salaries of Rs. 1,200.
- Closing Stock was valued at Rs. 1,24,840.
- Interest on Bank Loan was paid only for 6 months.
- Depreciate Plant and Machinery by 15%, Furniture by 10% and Fixtures by 20%.



**Q2.A. Prepare a Comparative Balance Sheet from the information given (10)**  
below and interpret the results of the same:

₹ In lakhs)					
Liabilities	2023	2022	Assets	2023	2022
Share Capital	8,878	8,878	Property, Plant and Equipment	84,000	73,000
Securities Premium	4,22,000	3,44,000	Investment	450	120
Surplus	323	591	Closing Stock	52,000	9,000
Bills Payable	943	618	Debtors	25,972	30,884
Creditors	10,000	11,000	Bills Receivable	37,453	0
Wages Outstanding	3,93,000	2,65,000	Cash in Hand	365	831
Rent Payable	96	748	Cash at Bank	6,35,000	5,17,000
<b>TOTAL</b>	<b>8,35,240</b>	<b>6,30,835</b>	<b>TOTAL</b>	<b>8,35,240</b>	<b>6,30,835</b>

**B. Prepare a Comparative Statement of Profit and Loss from the (10)**  
information below:

Particulars	2022(₹)	2023(₹)
Opening Stock	4,70,000	5,60,000
Closing Stock	3,50,000	3,60,000
Purchases	12,00,000	11,90,000
Depreciation on Plant	60,000	62,000
Depreciation on Building	36,000	38,000
Interest on Debentures	72,000	72,000
Interest on loan	-	8,000
Revenue from Operations	36,00,000	39,60,000
Other Income	62,000	65,000
Other Expenses	4,50,000	5,10,000
Tax Rate	30%	30%

**Q3.A. Prepare Common Size Balance Sheet from the information below: (10)**

Particulars	2022(₹)	2023(₹)
Share Capital	15,00,000	20,00,000

**Q3.A. Prepare Common Size Balance Sheet from the information below: (10)**

Particulars	2022(₹)	2023(₹)
Share Capital	15,00,000	20,00,000
Reserves and Surplus	3,00,000	2,00,000
Long Term Borrowings	9,00,000	13,50,000
Trade Payables	3,00,000	4,50,000
Property, Plant and Equipment	15,00,000	20,00,000



Intangible Fixed Assets	6,00,000	9,00,000
Inventories	3,00,000	5,00,000
Trade Receivables	1,50,000	2,00,000
Cash and Cash Equivalents	4,50,000	4,00,000

- B. Calculate the **trend percentage** from the following data taking 2021 as (10)  
the base year and interpret the results.

Particulars	2021	2022	2023
<b>Revenues</b>			
Revenue from Operations	50,000	51,000	52,900
Other Income	20,000	20,700	28,200
<b>Expenses</b>			
Cost of Material Consumed	30,000	31,000	39,000
Purchases of Stock-in-Trade	3,000	2,700	2,100
Changes in Inventory	27,000	26,000	25,000
Employees Benefit Expenses	8,000	9,000	10,000
Tax Rate	30%	30%	30%

- Q4.A. What is Economic Value Added? Describe its relationship with Market (10)  
Value Added?

- B. From the information given below calculate and interpret the: (10)
- Quick Ratio
  - Interest Coverage Ratio
  - Capital Gearing Ratio
  - Creditors Turnover Ratio
  - Net Profit Before Tax Ratio

Particulars	₹	Particulars	₹
Equity Share Capital	2,00,000	Fixed Assets	6,40,000
10% Preference Shares	2,00,000	Cash & Bank	60,000
Reserves and Surplus	55,000	Advance Tax	40,000
Creditors (Opening Balance: ₹ 30,000)	40,000	Debtors (Opening Balance ₹ 80,000)	1,10,000
Bills Payable (Opening Balance ₹ 25,000)	35,000	Bills Receivable (Opening Balance ₹ 65,000)	95,000

Share Application Money pending Allotment	1,00,000	Inventories (Opening Balance ₹ 70,000)	50,000
12% Debentures	1,50,000	Other Current Assets	5,000



15% Bank Loan	1,00,000		
Outstanding Expenses	70,000		
Provision for Tax	50,000		
	<b>10,00,000</b>		<b>10,00,000</b>

Additional Information:

1. Total Sales for the year ₹ 24,00,000 of which 70% is credit sales.
2. Credit Purchases amount to ₹ 17,80,000.
3. Gross Profit Rate is 25% on sales.
4. Net Profit Before Tax is ₹ 1,40,000.

**Q5.** As a financial advisor, how would you help your client choose between (20)  
the stock of Hero Motocorp and Tata Motors? The following information  
is available to you:

Particulars	Hero Motors	Tata Motors
Earnings Per Share	₹ 124	₹ 100
Market Price Per Share	₹ 2,460	₹ 461
EPS Growth Rate	3%	2%
Book Value Per Share	₹ 790	₹ 52
Dividend Per Share	₹ 95	₹ 10
Net Income (in crores)	₹ 730	₹ 300
Shareholders Equity (in cr)	₹ 15,780	₹ 19,940

**Q6. A.** From the following information, calculate **Net Cash Flow from** (10)  
**Operating Activities** using the Indirect Method:

Particulars	Amount (₹)
Net Profit Before Tax and Extraordinary Items	3,72,500
Depreciation	70,000
Profit on Sale of Investments	2,500
Income tax paid during the current year	59,000
Refund of Tax	1,500
Insurance money received from Earthquake Disaster	50,000
Loss due to earthquake	1,00,000

**Position of Current Assets and Current Liabilities**

**Position of Current Assets and Current Liabilities**

<b>Particulars</b>	<b>Opening (₹)</b>	<b>Closing (₹)</b>
Inventories	53,000	50,000
Trade Receivables	5,000	3,35,000
Trade Payables	12,500	90,000

Outstanding Expenses	7,000	5,000
Cash and Cash Equivalents	15,000	24,500

- B. From the following information, calculate **Net Cash Flow from Financing Activities** as at 31<sup>st</sup> March 2023 using the Indirect Method: (10)

Particulars	Opening (₹)	Closing (₹)
Equity Share Capital	2,25,000	2,75,000
5% Preference Share Capital	1,50,000	1,00,000
8% Debentures	75,000	1,30,000
8% Bank Loan	25,000	20,000

Additional Information:

1. During the year additional debentures were issued at par.
2. Bank Loan was repaid on 1<sup>st</sup> October 2022.
3. Dividend @8% was paid on the opening balance of equity shares.
4. Dividend was fully paid on preference shares.
5. Preference Shares were redeemed at the end of the year.
6. Equity share capital was issued during the year.