

**SARASWAT VIDYALAYA'S**  
**SRIDORA CACULO COLLEGE OF COMMERCE AND MANAGEMENT STUDIES**  
**KHORLIM, MAPUSA-GOA.**  
**B.COM. SECOND SEMESTER END EXAMINATION, JUNE - 2022**  
**w.e.f. 2017-18 (CBCS)**

**SUB: FINANCIAL STATEMENT ANALYSIS AND INTERPRETATION**

**Duration: 2 Hours**

**Max. Marks: 80**

**Instructions;**

1. **Q.NO.1** is compulsory .
2. Attempt **any three** questions from **Q.NO.2** to **Q.NO.6**
3. Figures to the right indicate full marks.
4. Prepare working notes wherever necessary.

**Q.No.1)** From the following particulars prepare profit and loss statement as per the revised schedule III of companies act 2013.

**(20 Marks )**

<b>PARTICULARS</b>	<b>AMOUNT(Rs.)</b>
Gross sales	55,00,000
Sales returns	20,000
Rent received	1,00,000
Interest on investments received	2,00,000
Opening stock of materials	1,00,000
Purchases of raw materials	5,00,000
Closing stock of materials	2,00,000
Purchases of finished goods	4,00,000
Opening stock of finished goods	1,25,000
Bank charges	1,00,000
Wages and salaries	1,30,000
Bonus to employees	40,000
Depreciation of fixed assets	2,00,000
Interest on bank loan	1,00,000
Carriage inward	50,000
Carriage outward	1,00,000
Audit fees	30,000
Legal fees	80,000
Insurance on building	2,00,000
Repairs and maintenance	50,000
Printing and stationery	75,000
Administrative expenses	25,000
Selling and distribution expenses	50,000
Factory expenses	1,90,000

**Additional information;**

1. Closing stock of finished goods amounted to Rs.1,00,000
2. Interest on bank loan outstanding Rs.20,000
3. Prepaid insurance on buildings amounted to Rs.30,000.

**Q.No.2)** Following is the trial balance of HALDIRAM MASALE CO. LTD as on 31<sup>st</sup> March 2021

**(20 Marks)**

Debit balances	Amount	Credit balances	Amount
Stock (1/4/2020)	10,00,000	Share capital; Equity shares of Rs.100 each	40,00,000
Fixed assets	24,70,000	General reserve	1,40,000
Sundry debtors	8,00,000	Loan from IDBI (long term )	6,00,000
Staff advances(short term)	1,70,000	Provision for taxation	22,000
Cash in hand	1,20,000	Net profit for current year	5,40,000
Bank balance	9,88,000	Profit and loss account (opening balance)	2,00,000
Preliminary expenses	53,200	Unsecured loans (long term )	1,00,000
Advance tax	24,000	Sundry creditors	2,80,000
Bills receivables	1,16,000	Unclaimed dividends	10,000
Investments (at cost)	1,50,000	-----	-----
<b>TOTAL</b>	<b>58,92,000</b>	<b>TOTAL</b>	<b>58,92,000</b>

**Additional information ;**

1. Transfer to general reserve Rs.1,00,000
2. Out of debtors , debts due for more than six months were Rs.1,04,000
3. Loan from IDBI is secured against stock
4. Market value of investments is Rs.1,58,000 while its Face value is Rs.1,20,000

Prepare Balance sheet of as on 31<sup>st</sup> march 2021 as per the revised schedule III of Companies act 2013 and also prepare necessary notes/schedules.

**Q.no.3)** From the following balance sheet of KIA CO.LIMITED as on 31<sup>st</sup> March 2020 and 31<sup>st</sup> March 2021 , prepare Comparative Balance sheet statement and offer your comments thereon.

**(20 Marks)**

LIABILITIES	31/3/2020	31/3/2021	ASSETS	31/3/2020	31/3/2021
Equity share capital	1,20,000	1,60,000	Land and buildings	1,00,000	1,50,000
Preference share capital	60,000	95,000	Plant and Machinery	40,000	45,000
Reserves and Surplus	30,000	35,000	Stock	60,000	82,000
Profit and loss a/c	18,000	20,000	Debtors	40,000	45,000
Bank overdraft	25,000	45,000	Bills receivable	10,000	30,000
Creditors	25,000	30,000	Prepaid expenses	6,000	8,000
Provision for tax	15,000	22,500	Cash at bank	40,000	58,500
Proposed dividend	8,000	20,000	Cash in hand	5,000	9,000
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<b>TOTAL</b>	<b>3,01,000</b>	<b>4,27,500</b>	<b>TOTAL</b>	<b>3,01,000</b>	<b>4,27,500</b>

**Q.no 4)** From the following information prepare common size profit and loss statement as per the revised format and schedule III of companies act 2013 .

**(20 Marks )**

Particulars	Amount (Rs.)	Particulars	Amount (Rs.)
To opening stock of materials	6,00,000	By sales	30,00,000
To purchases of materials	18,00,000	By closing stock of materials	9,00,000
To wages	3,75,000		
To carriage inward	3,75,000		
To gross profit c/d	7,50,000		
<b>TOTAL</b>	<b>39,00,000</b>	<b>TOTAL</b>	<b>39,00,000</b>
To salaries	50,000	By gross profit b/d	7,50,000
To office expenses	50,000	By interest on investments	45,000
To general expenses	12,500		
To selling and distribution expenses	75,000		
To depreciation	90,000		
To audit fees	7,500		
To interest on debentures	30,000		
To provision for tax	1,80,000		
To net profit c/d	3,00,000		
<b>TOTAL</b>	<b>7,95,000</b>	<b>TOTAL</b>	<b>7,95,000</b>

**Q.No.5)** The balance sheet of ROSEWOOD Co.Ltd as on 31<sup>st</sup> March 2021 is given as follows;

**(20 Marks )**

LIABILITIES	Amount(Rs.)	ASSETS	Amount(Rs.)
Equity share capital	1,00,000	Buildings	50,000
6% Preference Share capital	50,000	Stock	22,000
7% Debentures	20,000	Plant and machinery	60,000
Tax provision	15,000	Furniture	2,000
Creditors for goods	25,000	Land	50,000
Bills payable	4,000	Cash and Bank	12,000
Creditors for expenses	5,000	Debtors	50,000
General reserve	25,000	Prepaid expenses	1,000
Profit and loss account	5,000	Bills receivables	2,000
<b>TOTAL</b>	<b>2,49,000</b>	<b>TOTAL</b>	<b>2,49,000</b>

With the help of the above information ,compute the following ratios;

1. Current Ratio
2. Quick/Liquid Ratio
3. Proprietary Ratio
4. Stock- working capital ratio
5. Debt-Equity ratio.

**Q.NO 6) (A)** What is Economic Value Added ? Explain its main advatages . **(10 marks )**

(B) Explain in detail trend analysis and its advantages .

**(10 Marks)**