

**PART-B**

**CHAPTER 1 FINANCIAL STATEMENT OF A COMPANY**

1. MN Ltd. has an authorized capital of Rs.50,00,000 divided into equity shares of 10 each. The company invited applications for Rs.3,00,000 shares. Applications for Rs.2,75,000 shares were received. Show how share Capital will appear in the Balance Sheet of the company as per Schedule III Part I of the Companies Act 2013? Also prepare notes to accounts.
2. On 1<sup>st</sup> April, 2012 X Ltd. has a debit balance of Rs.3,00,000 in Reserves and Surplus as Balance of Statement of Profit & Loss. It earned a profit of Rs.5,00,000 for the year ended 31<sup>st</sup> March, 2013. How would you show these items in the Balance Sheet and notes to accounts?
3. Y Ltd. has the following balances on 1<sup>st</sup> April, 2012:

**Rs.**

Securities Premium Reserve	6,00,000
Statement of Profit & Loss	4,00,000

During the year ended 31<sup>st</sup> March, 2013, it incurred a loss of `2,60,000. How would you show these items in the Balance Sheet and notes to accounts?

4. Operating Cycle and the period when payment is made is given below. How will you classify the liability?

Particulars	(i)	(ii)	(iii)	(iv)	(v)	(vi)
Operating Cycle (Months)	9	11	11	18	18	10
Expected Period when payment is made (Months)	12	12	13	20	16	12

5. Under which head and sub-head following items of a will be classified:

- |                       |                                |                   |                         |
|-----------------------|--------------------------------|-------------------|-------------------------|
| i. Loose tools        | ii. Income received in advance | iii. Interest o/s | iv. Goodwill            |
| v. Unclaimed dividend | vi. Bank overdraft             | vii. B/R          | viii. Provision for Tax |

**CHAPTER 2 FINANCIAL STATEMENT ANALYSIS**

1. State any two objectives of Financial Statement Analysis?
2. Explain briefly limitations of Financial Statement Analysis?
3. Explain the importance of Financial Analysis for
  - (i) Labor unions
  - (ii) Creditors

**CHAPTER 3 TOOLS FOR FINANCIAL STATEMENT ANALYSIS**

1. Prepare a Comparative Statement of Profit & Loss from the following:

Particulars	Note No	31 <sup>st</sup> March 2012	31 <sup>st</sup> March 2011
Revenue from Operations		40,00,000	30,00,000
Expenses		58% of Revenue from Operations	60% of Revenue from Operations

Interest on investments @ Rs2,00,000 and taxes payable @ 50%.

2. ABCD Ltd. is a leading manufacturing Company. Encouraged by the spurt in its profits company decided to give 15% interim dividend to the equity shareholders of the Company. Following the Comparative Statement of Profit and Loss of the Company :

**COMPARATIVE STATEMENT OF PROFIT & LOSS**  
for the year ended 31st March, 2012 and 2013

Particulars	Note No.	2011-12	2012-13	Absolute Change (Increase or Decrease)	Percentage Change (Increase or Decrease)
1		2	3	4	5
		<b>Rs</b>	<b>Rs</b>	<b>Rs</b>	<b>%</b>
<b>I. Revenue from Operations</b>		<b>50,00,000</b>	_____	_____	<b>50.00</b>
<b>II. Add. Other Income</b>		<b>2,00,000</b>	_____	(_____)	<b>(25.00)</b>
<b>Total Revenue I + II</b>					
<b>III. Less : Expenses</b>		_____	_____	<b>15,00,000</b>	<b>50.00</b>
<b>Profit before Tax</b>		_____	_____	_____	_____
<b>Less : Tax</b>		_____	_____	<b>1,00,000</b>	<b>25.00</b>
<b>Profit after Tax</b>		_____	_____	_____	_____

You are required to

- (a) Fill in the missing figures in the Comparative Statement of Profit & Loss;
- (b) Compute the Net Profit Ratio for both the years.

**CHAPTER 4 RATIO ANALYSIS**

1. Calculate Current Ratio from the following information :

	<b>Rs.</b>		<b>Rs.</b>
Total Assets	12,00,000	Non Current Investment	1,40,000
Land and Building	6,00,000	Shareholder's Funds	8,50,000
Machinery	1,00,000	Non Current Liabilities	1,10,000

2. A business has a Current Ratio of 4 : 1 and a Quick Ratio of 1.2 : 1. If the Working Capital is Rs.1,80,000, Calculate the total Current Assets and Inventory.

3. Calculate the Debt Equity Ratio from the following:-

	<b>Rs.</b>
Tangible Fixed Assets	24,50,000
Intangible Fixed Assets	3,00,000
Current Assets	3,34,000
Current Liabilities	84,000
Long-term Borrowings	16,00,000
Long term Provisions	1,50,000

4. A company has a loan of Rs30,00,000 as part of its capital employed. Interest payable on the loan is 12% and the R.O.I. of the company is 25%. The rate of income tax is 40%. What is the gain to shareholders due to the loan raised by the company?

5. Calculate Operating Profit Ratio if Operating Ratio is 78%.

6. From the following information, calculate any two of the following ratios :

(a) Debt-Equity Ratio; (b) Working Capital Turnover Ratio; (c) Return on Investment.

**Information:**

Equity Share Capital Rs9,00,000, General Reserve Rs1,00,000; Statement of Profit and Loss Balance after Tax and Interest Rs3,00,000; 12% Debentures Rs4,00,000; Trade Payables Rs3,00,000; Land and Building Rs13,00,000; Furniture Rs3,00,000; Trade Receivables Rs2,90,000; Cash Rs1,10,000.

Revenue from Operation for the year ended 31.3.2011 was Rs3,00,000 and Tax paid 50%.

7. Compute 'Trade Receivables Turnover Ratio' from the following information :

Total Revenue from Operations Rs5,20,000, Cash Revenue from Operations 60% of the Credit Revenue from Operations, Closing Trade Receivables Rs80,000, Opening Trade Receivables are  $\frac{3}{4}$ th of Closing Trade Receivables.