T. Y. B. C. B. I 09/05/13

Financial Reporting Analysis

Con. 1097-13. Sem V CA-1583

(2 Hours) [Total Marks : 60

N.B. : (1) Attempt **all** the questions.
(2) **Figures** to the **right** indicate **full** marks.
(3) Working note form **part** of answer.
(4) State your assumptions **clearly**.
(5) Use of **simple calculator** is **allowed**.

1. Following is the statement related on a Limited Company for the year ended 2012. You are required to prepare— **15**
(a) Common Size Revenue Statement in Vertical Form
(b) Common Size Balane Sheet in vertical form.

Profit & Loss Account for the year ended 31st March, 2012

Particulars	Amt. (₹)	Particulars	Amt. (₹)
To Cost of Goods Sold	8,00,000	By Sales	10,50,000
To Office Expenses	5,000		
To Finance Expenses	30,000		
To Selling & Distribution Expenses	40,000		
To Net Profit	1,75,000		
	10,50,000		**10,50,000**

Balance Sheet as on 31st March, 2012

Liabilities	Amt. (₹)	Assets	Amt. (₹)
Equity Share Capital	4,00,000	Land	1,50,000
6% Preference Share Capital	3,00,000	Building	2,70,000
Reserves & Surplus	2,95,000	Plant	2,70,000
6% Debentures	1,50,000	Furniture	1,40,000
Creditors	2,10,000	Stock	3,00,000
Bills Payable	2,15,000	Debtors	3,50,000
		Cash	90,000
	15,70,000		**15,70,000**

OR

(a) What do you mean by analysis of Financial Statement ? **8**
(b) Explain the objectives of Financial Analysis. **7**

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2. From the following information of M/s Raj Co. Ltd. prepare Balance Sheet with as many details as possible— **15**

   (a) Current Ratio 2·5 : 1
   (b) Liquid Ratio 1·5 : 1
   (c) Working Capital ₹ 2,40,000
   (d) Bank Overdraft ₹ 40,000
   (e) Reserves and Surplus ₹ 1,60,000
   (f) Fixed Assets to Proprietors Fund 0·75 : 1
   (g) There is no long term loan and investment and fictitious Assets
   (h) Current Assets include only stock, debtors and cash balance in the ratio of 11 : 5 : 4 resectively.

OR

2. Explain how the following ratio help management in interpretation of Financial data— 15

   (a) Acid Test Ratio
   (b) Capital Bearing Ratio
   (c) Proprietory Ratio.

3. Prepare the Profit & Loss Account of Glory Bank Ltd. for the year ended 31-3-2012 from the following details : 15

Particulars	**Amt. ₹**
Interest on Loan	3,49,000
Interest on Fixed Deposits	3,65,000
Rebate on Bills Discounted as on 31-3-2012	48,000
Commission	9,100
Salaries	1,55,000
Discount on Bills Discounted	1,94,000
Interest on Cash Credit	2,24,000
Locker Rent	12,000
Rent and Rates	18,000
Interest on Overdrafts	1,28,000
Directors Fees	2,000
Auditors Fees	2,200
Interest on Saving Account	69,000
Postage & Telegram	1,500
Printing & Stationery	3,900
Sundry Charges	1,500

Provide ₹ 80,000 for taxation.

OR

3. (a) Prepare a Schedule of Fixed Assets from the following details as on 31st March, 2012. 10

Debit Balances	Amt. (₹)	Credit Balances	Amt. (₹)
Goodwill	50,000	Provision for Depreciation upto 31st March, 2012 :	
Plant & Machinery (Cost)	2,40,000	On Plant & Machinery	1,10,000
Additions to Plant	40,000	On Furniture	9,000
Motor Car (at cost)	49,600	On Motor Car	19,600
Furniture (at cost)	33,000		
Depreciation :			
On Plant & Machinery	17,000		
On Furniture	2,400		
On Motor Car	6,000		

(b) Write short note on Contingent Liabilities. 5

4. From the following balances find out the amount of Premium received, Claims paid and Commission paid for incorporation in the revenue account of Bharat Axa Insurance Company as on 31st March, 2012. 15

Particulars	Direct Business Amt. ₹	Reinsurance Business Amt. ₹
(I) **PREMIUM**		
Received	2,40,000	36,000
Receivable—1st April, 2011	12,000	2,100
31st March, 2012	18,000	2,800
Premium Paid	—	24,000
Payable—1st April, 2011	—	2,000
31st March, 2012	—	4,200
(II) **CLAIMS**		
Paid	1,65,000	12,500
Payable—1st April, 2011	9,500	1,300
31st March, 2012	17,500	2,200
Received	—	10,000
Receivable—1st April, 2011	—	900
31st March, 2012	—	1,200
(III) **COMMISSION :**		
On Insurance Accepted	15,000	1,100
On Insurance Ceded	—	1,400

OR

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4. Write short notes on any **three** :– 15

(a) AS–3 Cash Flow Statement

(b) Debtors Turnover Ratio

(c) Cash Credits, Loans and Overdraft

(d) Earnings Per Share

(e) Requirements of Schedule VI of the Companies act with reference to Share Capital.
