

Seat No: _____

Enrollment No: _____

PARUL UNIVERSITY
FACULTY OF MANAGEMENT
BBA Mid Term 2020 – 21 Examination

Semester: 4
Subject Code: 6101255
Subject Name: Corporate Financial Statement

Date (04/03/2020)
Time: (2 hrs)
Total Marks: 40

Instructions

1. All questions are compulsory.
2. Figures to the right indicate full marks.
3. Make suitable assumptions wherever necessary.
4. Start new question on new page.

Q.1 Do as Directed.

A). Multiple choice type questions/Fill in the blanks. (Each of 1 mark) (5)

1. Financial Statement are based on?
 - a) Historical cost
 - b) Current cost
 - c) Opportunity cost
 - d) Estimated cost
2. While Calculating Liquid Ratio, Which asset will be excluded from Current Asset?
 - a) Bank Balance
 - b) Debtors
 - c) Stock in Trade
 - d) Bills Receivable
3. Current Ratio is 3:2, Current Asset are Rs 600000, and Therefore Current Liabilities Shall be?
 - a) 400000
 - b) 900000
 - c) 600000
 - d) 100000
4. Which of the following items is not a cash flow?
 - a) Borrowing or Incurring any Liability
 - b) Sale of fixed asset or Investment
 - c) Earning Operating Profit
 - d) Repayment of loan and debentures
5. Proposed Dividend of Previous Year Shown as a _____ of funds during the current Year?
 - a) Increase
 - b) Application
 - c) Decrease
 - d) Sources of funds

B). Define the following. (Each of 1 mark)

1. Shareholder funds
2. What is EPS
3. Cash flow from Operation
4. Utility of Fund flow
5. What is Common size Statements

(5)

Q.2 (A) The Balance Sheet of XYZ Limited as on March 31, 2020 as follows. (8)

Liabilities	Amount	Asset	Amount
Share Capital 25000 Equity Share of Rs 100 each	25,00,000	Land and Building	20,00,000
Reserve and Surplus	11,00,000	Plant and Machinery	10,00,000
10% Debenture(Long Term)	10,00,000	Furniture and Fittings	1,00,000
Bank Overdraft	3,00,000	Long term Investment	5,00,000
Bills Payable	50,000	Stock in Trade	10,00,000
Sundry Creditors	5,50,000	Sundry Debtors	4,00,000
		Bills Receivable	1,50,000
		Cash at Bank	30,000
		Cash in Hand	50,000
Total	55,00,000	Total	55,00,000

Assume EBIT for the Year 2019-20 at Rs 5, 50,000. Calculate:

- Debt to Equity Ratio
- Total Asset to Debt Ratio
- Proprietary Ratio
- Interest Coverage Ratio

Comment on the Ratio Calculated.

Q.2 (B) Define the following Questions. (3.5 Each)

- Explain Importance and Utility of Ratio Analyses?
- Explain Limitation of Ratio Analyses?

Q.3 Attempt any two:

(1) From the following Balance sheet of Luck Co. Ltd, Make out Cash flow Statement.

Liabilities	31/03/2018	31/03/2019	Assets	31/03/2018	31/03/2019
Share Capital	300000	250000	Land and Building	200000	190000
General Reserve	60000	70000	Machinery	150000	169000
Profit and loss ac	30500	30600	Stock	200000	74000
Bank Loan	70000	0	Debtors	90000	79200
Creditors	150000	135200	Cash	500	600
Provision for Taxation	30000	35000	Bank Balance	-	8000
	640500	520800		640500	520800

During the Year ended 31st of March 2020

1. Dividend of RS 23000 Paid
2. The following assets of another company were Purchased for Consideration of Rs 50000 Paid for in shares
Stock Rs 20000, Machinery Rs 25000
3. Machinery was Purchased for RS 8000
4. Depreciation Written off.
Machinery Rs 12000, Land and Building Rs 10000
5. Provision was made for Income tax Rs 33000 During the Year.
6. The Loss on Sale of Machinery was 200 Transferred to General Reserve

Q.3 (2) From the Balance sheet of ABCLtd, As on 31st December 2019, you are Required to Prepare

Schedule of changes in Working Capital and Funds Flow Statement.

Liabilities	As on 31 st December		Assets	As on 31 st December	
	2018	2019		2018	2019
Share Capital	1,00,000	1,10,000	Building	40,000	38,000
General Reserve	14,000	18,000	Plant & Machinery	37,000	36,000
P & L A/c	16,000	13,000	Investment	10,000	21,000
Creditors	8,000	5,400	Stock	30,000	23,400
Bills Payable	1,200	800	Bills Receivable	2,000	3,200
Provision for tax	16,000	18,000	Debtors	18,000	19,000
Provision for Doubtful Debts	400	600	Cash at bank	6,600	15,200
			Preliminary Exp.	12,000	10,000
	1,55,600	1,65,800		1,55,600	1,65,800

Additional Information:

- 1) Depreciation charged on Plant was Rs.4, 000.
- 2) Provision for taxation Rs.19,000 was made during the year2019.
- 3) Interim dividend of Rs.8,000 was paid during the year.
- 4) A piece of machinery was sold for Rs.8, 000 during the year 2019. It had costed Rs.12, 000, depreciation of Rs.7, 000 has been provided on it.

Q.3 (3) From the Balance sheet of ABC Ltd, you are Required to Calculate Trend Analyses.

Particulars	2010-11	2011-12	2012-13	2013-14
Cash	100	120	80	140
Debtors	200	250	325	400
Stock	300	400	325	500
Other Current Asset	50	75	125	150
Land	400	500	500	500
Buidings	800	1000	1200	1500
Plant	1000	1000	1200	1500

Q.3 (4) Explain difference between cash flow analyses and fund flow analyses?