

Seat No: _____

Enrollment No: _____

PARUL UNIVERSITY
FACULTY OF MANAGEMENT
BBA Winter 2018 - 19 Examination

Semester: 4
Subject Code:06101255
Subject Name: Corporate Financial Statement

Date: 10/12/2018
Time: 2:00 pm to 4:30 pm
Total Marks: 60

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)

(05)

1. Financial Statements are based on _____ cost?
 - a) Historical
 - b) opportunity
 - c) current
 - d) estimated cost
2. Debtors of Shyam Limited are of Rs. 60,000 and bills receivables are Rs. 4000. If total sales is Rs. 7,30,000 in which 4/5 is credit sales. Find out debtors ratio. (working days : 365)
 - a) 40 days
 - b) 32 days
 - c) 27 days
 - d) 30 days
3. Which of the following statements is not correct ?
 - a) If current assets increase it reduces cash flows
 - b) IF current asset decreases it increases cash flow
 - c) if current liabilities increases it increases cashflow
 - d) if current liabilities decreases it increases cashflow
4. Which of the following items is shown under the reserves and surplus head of the balance sheet:
 - a) Share application money
 - b) calls received in advance
 - c) share premium account
 - d) calls in arrears
5. The auditors reports are prepared by which of the following ?
 - a) Auditor
 - b) sales officer
 - c) Financial manager
 - d) Production officer

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

(05)

1. Fictitious Assets
2. Fund Flow statement
3. Earning per share
4. Segment Reporting
5. Corporate Governance

C). Direct questions. (Each of 1 mark)

(05)

1. List down any two profitability ratio.
2. Give Formula : Return on capital employed
3. Expand : XBRL
4. What is contingent liability ?
5. What is auditors report?

Q.2 Answer the following questions.

A). Describe various tools and techniques of financial statement analysis. (07)

Following are the balance sheet of ABC ltd. As on 31st march. (08)

B).	Liabilities	31-Mar-12	31-Mar-11	Assets	31-Mar-12	31-Mar-11
	Equity share capital(Rs. 100)	6,00,000	4,00,000	Land and building	4,00,000	1,75,000
	securities premium	32,000	21,000	Machinery	3,55,000	2,81,000
	General Reserve	35,000	75,000	patent	48,000	56,000
	P & L A/C	1,00,500	52,500	furniture	28,350	31,500
	12% Debenture	2,10,000	1,10,000	Debtors	1,50,000	1,00,000
	Creditors	84,000	63,000	Stock	80,000	1,00,000
	Provision for tax	35,000	55,000	cash	32,650	30,500
				Deb. Discount	2,500	2,500
		10,96,500	7,76,500		10,96,500	7,76,500

Other information :

- Depreciation written off:
On land and building Rs. 17,500. On machinery Rs. 56,200.
Patent Rs. 8,000 and furniture Rs. 3,150.
- Machinery Rs. 81,000 was sold at Rs. 70,000 during the year.
- During the year Rs. 31,000 were paid for tax and Rs. 42,000 for dividend.
- During the year, company has given bonus share in ratio of one bonus share holder of four equity shares from general reserve. New equity shares were issued at 11 % premium.
- Debentures were issued at 3% discount.

Prepare cash flow statement .

Q.3 Answer the following questions.

A). From the following balances in the accounts of a company for the year 2011-12. (07)

Particulars	Amount (Rs.)	Particulars	Amount (Rs.)
Sales	12,30,000	cash at bank	9,800
Plant and machinery	1,08,000	printing and stationary	2,200
Loss on sale of machinery	7,500	Audit fees	2,800
Depreciation on plant and machinery	20,000	Retained profits(opening balance)	99,400
Dividend on ordinary shares	14,600	Retained Profit for the year	28,800
debtors	19,500	Rent , rates , and taxes	16,500
creditors	12,700	other expenses	8,500
stock of materials(R/m, W.I.P., Finished goods)		ordinary shares captial issued	1,50,000
opening goods	16,000	Interest on borrowing	4,000
closing stock	20,000	Income tax for the year	27,600
Raw material purchased	10,62,500	wages and salaries	32,700
		Employees state insurance	3,500
		Provident fund contribution	2,800

Prepare a value added statement of the company for the year 2011-12.If no. of employees are 100.calculate : 1. value added per employee 2.Earning per employee 3. Sales per Employee

B). Write and explain note on Director's report.

(08)

Q.4 Attempt any two questions. (Each of 7.5 mark)

(15)

1. Differentiate between Cashflow statement and fund flow statement .
2. Given below are the balance sheets of Akshay limited and details of trading and profit and loss account for the related year are as under.

Liabilities	31/3/2011	31/3/2012	Assets	31/3/2011	31/3/2012
Equity share capital(Rs. 100)	1,00,000	1,50,000	Land and building	1,00,000	90,000
10% Preference share capital	50,000	50,000	Machinery	90,000	90,000
General Reserve	30,000	30,000	Debtors	53,000	30,000
P & L A/C	20,000	-	Bills Receivables	20,000	12,000
12% Debentures	1,00,000	50,000	Stock	75,000	90,000
Creditors	30,000	35,000	Bank Balance	15,000	35,000
Bills Payable	10,000	25,000	Cash balance	2,000	13,000
Bank Overdraft	10,000	20,000	P & L A/C	-	10,000
Outstanding expenses	5,000	10,000			
	3,55,000	3,70,000		3,55,000	3,70,000

Considering above data and additional information calculate ratios given after additional information and also provide your opinion about company's position in 2011-12 in comparison with year 2010-11.

Additional Information:

		2010-11	2011-12
1	Sales	3,65,000	2,19,000
2	cost of goods sold	2,19,000	1,46,000
3	Net profit(before pref. dividend)	35,000	47,500
4	Stock on 1-4-10	71,000	

Calculate : 1. Current ratio,

2. Liquid Ratio

3. Debtors ratio (take 365 days)

4. Gross profit ratio

5. Stock turnover ratio

6. Earning Per share

3. Somani Tiles Ltd. Has provided Profit and loss statement for the year 2016 and 2017, considering the given information prepare Common Size Statement for 2016 and 2017.

PROFIT & LOSS	2016	2017
	Amount (in Rs.)	Amount (in Rs.)
Sales	1200	1500
less cost of goods sold	500	600
Gross profit/net sales	700	900
Expenses		
Accountant fees	120	110
Advertising & marketing	45	35
Bank fees & charges	60	60
Bank interest	100	78
Credit card fees	80	48
Utilities (electricity, gas, water)	80	100
Repairs & maintenance	60	68
Income tax	44	60
Wages (including PAYG)	79	86
Total expenses	668	645
NET PROFIT (Net Income)	32	255

4. Define Balance sheet. Prepare the imaginary balance sheet and explain its contents in detail.