

PARUL UNIVERSITY
FACULTY OF MANAGEMENT
BBA Summer 2018-19 Examination

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

Date: 18/04/2019
Time: 10:30 am to 01:00pm
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. Comparative statement is called.....

- | | |
|-----------------------|---------------------|
| a Horizontal Analysis | b Vertical Analysis |
| c Ratio Analysis | d None of the above |

2. Which of the following is not included in the liquidity Ratios?

- | | |
|---------------------|----------------|
| a Current Ratio | b Liquid Ratio |
| c Debt-Equity Ratio | d Quick Ratio |

3. In a company, opening balance of the investment was Rs. 25,000 and its closing balance was Rs.30,000. During the year, some investments were purchased worth Rs.9000. Find out investment sold.

- | | |
|------------|-------------|
| a Rs.5000 | b Rs. 25000 |
| c Rs. 4000 | d Rs. 7500 |

4. One of the following statements is true about XBRL: It is

- | | |
|--|--|
| a An International Accounting Standard | b A regulation o Companies Act , 1956 |
| c A Computerized business language | d A listing requirement issued by SEBI |

5. The corporate governance does not focus on one of the following:

- | | |
|--|----------------------------------|
| a About seasonal impact on total revenue | b About environmental indicators |
| c About economic indicators | d About human resource and labor |

B). Define the following. (Each of 1 mark)**(05)**

- 1 Value Added Statement.
- 2 Working Capital
- 3 Interim Reporting
- 4 Segment Reporting
- 5 Financial Statement

C). Direct questions. (Each of 1 mark)**(05)**

- 1 What you meant by Corporate Governance?
- 2 Working Capital Rs. 180,000, Total Debt RS. 3,90,000 , Long Term Debt Rs. 3,00,000. Calculate Current Ratio
- 3 What is the difference between a Cash flow statement and a Fund Flow Statement
- 4 What is XBRL?
- 5 List down any 4 contents of the Audit Report.

Q.2 Answer the following questions.

- A). The balance sheets of Diamond Limited as on March 31, 2017 and 2018 are given below: **(07)**

Diamond Limited
Balance Sheets
As on March 31st 2017 and 2018

Particulars	2017 Rs.	2018 Rs.
Shareholders' Funds:		
Share Capital	2,74,000	2,74,000
Reserves and Surplus	1,52,000	70,000
	4,26,000	3,44,000
Liabilities:		
Secured Loans	1,00,000	2,32,000
Unsecured Loans	5,96,000	2,06,000
Current Liabilities and Provisions	2,98,000	78,000
	9,94,000	5,16,000
Capital and Liabilities	14,20,000	8,60,000
Assets:		
Fixed Assets (Net)	5,68,000	4,30,000
Investments	6,000	4,000
Inventories	4,26,000	2,16,000
Debtors(Net)	3,30,000	1,40,000
Cash	90,000	70,000
Total Assets	14,20,000	8,60,000

Prepare the common size balance sheets for Diamond limited for 2017 and 2018 and comment on the changes.

- Q. From the following information ,you are required to prepare a Cash Flow Statement of **(08)**
B). Modern Ltd. for the year ended 31st March 2018

Balance Sheets
as on March 31,2017 and 2018

Liabilities	2017	2018	Assets	2017	2018
Share Capital	70,000	70,000	Fixed Assets	50,000	91,000
Secured Loans	-	40,000	Inventory	15,000	40,000
Creditors	14,000	39,000	Debtors	5,000	20,000
Tax Payable	1,000	3,000	Cash	20,000	7,000
Profit & Loss A/c	7,000	10,000	Prepaid Expenses	2,000	4,000
	92,000	1,62,000		92,000	1,62,000

Profit and Loss A/c
For the year ended March 31, 2018

Dr.		Cr.	
Particulars	Rs.	Particulars	Rs.
To opening Stock	15,000	By Sales	1,00,000
To Purchases	98,000	By Closing Inventory	40,000
To Gross Profit c/d	27,000		
	1,40,000		1,40,000

To General Expenses	11,000	By Gross Profit b/d	27,000
To Depreciation	8,000		
To Provision for Tax	4,000		
To Net Profit c/d	4,000		
	27,000		27,000
To Dividend (Interim)	1,000	By Balance b/d	7,000
To Balance c/d	10,000	By Net Profit b/d	4,000
	11,000		11,000

Q.3 Answer the following questions.

A). What is corporate reporting practices? Differentiate between Window Dressing and Creative Accounting. (07)

B). The following are the balances in the accounts of a company for the year 2017-2018: (08)

Particular	Rs.	Particular	Rs.
Turnover	12,30,000	Cash at Bank	9,800
Plant and Machinery (Net)	1,08,000	Printing and Stationery	2,200
Loss on Sale of Machine	7,500	Audit fees	2,800
Depreciation on Plant & Machinery	20,000	Retained profits (opening Balance)	99,400
Dividend on ordinary shares	14,600	Retained profits for the year	28,800
Debtors	19,500	Rent, Rates and Taxes	16,500
Creditors	12,700	Other Expenses	8,500
Stock of materials (Raw material, WIP and Finished goods):		Ordinary share capital issued	1,50,000
Opening Stock	16,000	Interest on borrowings	4,000
Closing Stock	20,000	Income tax for the year	27,600
Raw Materials Purchased	10,62,500	Provident Fund Contribution	2,800
Wages and salaries	32,700	Employees state Insurance	3,500

Prepare a value added statement of the company for the year 2017-18

Q.4 Attempt any two questions.(7.5 marks each) (15)

- Rs.2,00,000 is the cost of goods sold, inventory turnover is 8 times; Stock at the beginning is 1.5 times more than the stock at the end. Calculate the values of opening and closing stock.
- Write Short Notes on:
 - Fund Flow Statements
 - Schedule of Changes in Working Capital
 - Adjusted Profit and Loss Account
- “To know the facts behind figures, it is necessary to understand the Annual Corporate Reports from the critical angle.” Comment the statement critically.
- “The concept of value added is most versatile measure of Judging the efficiency and performance of an enterprise than the concept of profit”. Do you agree with this statement? Give your reasons.