

PARUL UNIVERSITY
FACULTY OF MANAGEMENT
BBA., Summer 2017-18 Examination

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

Date: 22-05-2018
Time: 02:00PM to 04:30PM
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) Cross Functional Analysis
2. Which of the following item/s is not a cash inflow?
 - a) Borrowing Any liability
 - b) Sale of assets
 - c) Earning profit
 - d) Repayment of loan/borrowing
3. Which one is not part of constituents of value added statement
 - a) Value per employee
 - b) Interest and dividend to value added
 - c) Ratio of Retain Earning
 - d) Value Added service
4. XBRL India is formed as one of the following:
 - a) Govt Corporation
 - b) Registered Company
 - c) Trust
 - d) Partnership Firm
5. The auditors report of a company is prepared by one of the following:
 - a) Statutory Auditor
 - b) Audit Committee
 - c) Internal Auditor
 - d) Financial Advisor

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

1. Financial Statement
2. Segment Reporting
3. Fund Flow Statement
4. Value Added
5. Annual Report

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

1. What is interim reporting?
2. What you mean by Corporate Governance?
3. What is the motive behind Creative Accounting?
4. State the formula of "EPS"
5. Which item is taken as base for preparing common size balance sheet?

Q.2 Attempt the following question

A). From the given income statement prepare common size statement

(07)

Particulars	2016 (Rs.) (In Lakhs)	2018 (Rs.) (In Lakhs)
Sales	685	721
(-) Cost of Goods sold	419	463
Gross Profit	266	256
(-) Operating expenses	47	46
Administrative Expenses	94	91
Total Operating Expenses	<u>141</u>	<u>137</u>
Operating Profit	125	121
(+) Other income : Interest	22	25
(-) Interest paid	22	22
=Profit before tax	125	124
(-) Income Tax	63	62
Profit After Tax	62	62

B). The followings are the condensed balance sheet of Q. Ltd as on 31-March:

(08)

Liabilities	31-03- 2017 Rs.	31-03- 2018 Rs.	Assets	31-03- 2017 Rs.	31-03- 2018 Rs.
Equity share capital (Rs. 10 Each)	50000	75000	Fixed Assets	65000	111500
General Reserve	30000	10000	Investment	7500	6000
Profit & Loss	5000	6000	Stock	5000	7500
10% Debenture		25000	Sundry Debtors	27500	17500
Sundry Creditors	22500	25500	Cash and Bank	6000	4500
Provision for Tax	7500	8500	Preliminary expenses	4000	3000
Total	115000	150000	Total	115000	150000

Additional Information

- 1 On 1-4-2017 bonus share issued at 1 share for every two equity share held by capitalising General reserve
- 2 Income tax Rs. 7000 paid during the year 2017-18
- 3 Interim Dividend of Rs. 4500 was paid during the year
- 4 Depreciation of Rs. 2500 was provided on fixed assets
- 5 Investment costing Rs. 2500 was sold at a profit of Rs. 500

From the above information Prepare cash flow statement.

Q.3 Attempt the following question

A). Write short notes on Segment Reporting and Directors' Reports

(07)

B). The following balances in the accounts of company for the year end 2017-18

(08)

Particulars	Rs.	particulars	Rs.
Turnover	307500	Cash at Bank	2450
Plant and Machinery	27000	Printing and Stationary	550
Loss on sale of machinery	1875	Audit fee	700
Depreciation on P&M	5000	Retained profit 31-3-2017	24850
Dividend paid	3650	Retained profit 31-3-2018	7200
Debtor	4875	Other expenses	4125
Creditors	3175	Rent rate and Taxes	2125
Opening sock	4000	Share capital	37500
Closing stock	5000	Interest on borrowing	1000
Raw material purchase	265625	Income tax paid	6900
PF Contribution	700	Wages and Salaries	8175
		Employee state insurance	875

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

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

(15)

- From the following statements of X ltd for the year ending 2015, you are requiting to calculate the following ratio and state significant of each such ratio (Consider Company works for 360 days in year): 1) Current Ratio, 2) Liquid Ratio, 3) Operating Ratio, 4) Stock turnover ratio, 5) Debtors' Ratio and 6) Debtors turnover ratio

Balance sheet as on 31-12-2015			
Liabilities	Rs.	Assets	Rs.
Share Capital		Land and Buildings	50,000
Issued and Paid up: 50,000 equity share of Rs 1 Each	50,000	Plant and Machinery	20,000
General Reserve	40,000	Stock	15,000
Profit and loss A/c	15,000	Debtors	25,000
Sundry Creditors	20,000	Cash	15,000
Total	1,25,000	Total	1,25,000

Profit and Loss Account for the year ending 31-12-2015			
Particulars	Debit Rs.	Particulars	Credit Rs.
To Opening Stock	25,000	By Sales	1,80,000
To Purchases	1,05,000	By Closing stock	15,000
To Gross Profit	65,000		
Total	1,95,000	Total	1,95,000
To Advertisement	23,000	By Gross Profit	65,000
To Selling expenses	10,000	By Profit of Sale of Fixed Assets	5,000
To Financial charges	2,000		
Net Profit	35,000		
Total	70,000	Total	70,000

- How does cash flow statement differ from fund flow statement?
- What is Corporate reporting practice? Explain window dressing in corporate financial reporting?
- State the methods of analysis of financial statement and briefly explain any two of them.