

Seat No: _____

Enrollment No: 150613101029

PARUL UNIVERSITY
FACULTY OF MANAGEMENT
BBA, 2017 Examination

Semester: 4

Date: 10/4/2017

Subject Code: 06101255

Time: 2hr

Subject Name: Corporate Financial Reporting

Total Marks: 50

Instructions

1. Attempt all questions from each section in the same supplementary.
2. Figures to the right indicate full marks.
3. Make suitable assumptions wherever necessary.

SECTION-A-25 Marks

Q.1 (a) Do as directed.

(3)

1. _____ is taken as base for preparing Common size Balance sheets.
2. Financial statement is based on _____ cost.
3. Profitability ratio is related to _____.

Q.1 (b) Do as directed.

(1.5 * 2 = 3)

1. If current ratio is 3:2, Current assets are Rs. 6,00,000 what will be the amount of Current Liabilities.
2. If Net profit ratio is 25%, Net profit before interest and taxes is Rs. 2,50,000 calculate Sales.

Q.2 Explain Ratio Analysis and explain functional classification of Ratio.

(6)

Q.3 (a) Define Financial Statement and Explain the Characteristics of Financial Statement.

(4)

Q.3 (b) Describe various tools available for Financial Analysis.

(3)

Or

Q.3 (a) Discuss advantages of Common Size financial statement.

(4)

Q.3 (b) Define Financial Statement and mention limitations of Financial Statement.

(3)

Q.4 The Balance sheet of Kamla Ltd. As on 31st March 2017 is as under:

(6)

Liabilities	Rs.	Assets	Rs.
Equity Shares of Rs. 100 each	10,00,000	Fixed Assets	18,50,000
General Reserve	4,00,000	Stock	2,00,000
Profit & Loss	2,00,000	Debtors	80,000
10% Debentures	4,00,000	Bills Receivables	1,20,000
Creditors	2,00,000	Cash Balance	2,40,000
Bills Payable	1,00,000	Prepaid Expense	10,000
Bank Overdraft	2,00,000		
	25,00,000		25,00,000

Additional Information:

Total Sales (Cash sales are 2/5 th of Credit Sales)	14,00,000
Gross Profit	5,00,000
EBIT	3,20,000
Opening Stock	1,60,000

From the above information calculate the following accounting ratios for the year and give brief comment on each of them. (Standard ratios are shown in the brackets). Tax rates for the company are 50%.

1. Net Profit Ratio (12%)
2. Debtors Ratio (360 days in a year) (60 Days)
3. Liquid Ratio (1:1)
4. Stock Turnover (5 Times)
5. Return On share holders' Funds (10%)
6. Debt-Equity ratio (Based on long term debts) (30%)

SECTION-B-25 Marks

Q.1 (a) Do as directed. (3)

1. Net profit earned during the year is _____ of funds.
2. Depreciation is shown as a _____ in the Fund flow statement.
3. Proposed dividend of previous year is shown as a _____ of funds during the current year.

Q.1 (b) Do as directed. (3)

The balance of Depreciation on machine account on 31-03-2016 was Rs. 2,80,000 and 31-03-2017 was Rs. 3,00,000. During the year a machine costing Rs. 1,00,000 accumulated depreciation thereon being Rs. 60,000 was sold for 20,000.

Show the amount of depreciation charged to Profit and loss Account.

Q.2 Explain the difference between Cash Flow statement and Fund Flow Statement. (6)

Q.3 (a) Define Cash flow statement and Limitation of cash flow statement. (4)

Q.3 (b) Write in Brief Utilities of Cash Flow statement. (3)

Or

Q.3 (a) Prepare a Fund flow statement with imaginary figures. (4)

Q.3 (b) Write in Brief Utilities of Fund Flow statement (3)

Q.4 Following are the summarized Balance sheet of A co. Ltd. As on 31st March 2015 and 31st March 2016. (6)

Liabilities	31/03/2015	31/03/2016	Assets	31/03/2015	31/03/2016
Shares Capital	2,00,000	2,50,000	Land & Building	2,00,000	1,90,000
General Reserve	50,000	60,000	Machinery	1,50,000	1,69,000
Profit & Loss A/c	30,500	30,600	Stock	1,00,000	74,000
Bank loan	70,000	-----	Debtors	80,000	64,200
Creditors	1,50,000	1,35,200	Cash	500	600
Provision for Taxation	30,000	35,000	Bank Balance	-----	8,000
			Goodwill	-----	5,000
	5,30,500	5,10,800		5,30,500	5,10,800

Additional Information:

During the year ended 31st March 2016:

1. Dividend of Rs. 23,000 was paid.
2. The following assets of another company were purchased for a consideration of Rs. 50,000 paid for the shares.
Stock Rs. 20,000; Machinery Rs. 25,000
3. Machinery was purchased for Rs. 8,000.
4. Depreciation written off: Machinery Rs. 12,000; Land and building Rs. 10,000.
5. Provision was made for Income- Tax Rs. 33,000 during the year.
6. The loss on Sale of machinery Rs. 200 was transferred to General Reserve.