

**PARUL UNIVERSITY**  
**FACULTY OF MANAGEMENT**  
**BBA- Mid-Semester, Summer 2017 - 18 Examination**

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

**Date: 30/03/2018**  
**Time: 1 hr: 30mins**  
**Total Marks: 30**

**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.****(05)**

1. Current Ratio is 3.5: 1. Working Capital is Rs. 90,000. Calculate the amount of Current Assets and Current Liabilities.
2. ....ratio is calculated to test the long term financial position of a firm.
  - (A) Capital structure Ratio
  - (B) Leverage Ratio
  - (C) Capital gearing ratio
  - (D) Capital Employed Ratio
3. ....analysis is a technique of studying several financial statements over a series of years. (Fill The Gap)
4. Comparative statements are also known as:
  - (A) Dynamic analysis
  - (B) Horizontal analysis
  - (C) Vertical analysis
  - (D) External analysis
5. As per AS 3 (revised), cash fund includes cash, demand deposit with bank and.....
  - (A) Cash Inflow
  - (B) Financial
  - (C) Cash outflow
  - (D) Cash equivalent

**Q. 2 Define the following terms****(05)**

1. Financial statement
2. Cash flow statement
3. Financial Analysis
4. Leverage Ratio
5. Trend analysis

- Q.3** From the following calculate the following ratios : (1) Gross profit ratio (2) Stock turnover ratio (3) Liquid ratio (4) Debtors ratio (assuming 360 days in a year) (5) Return on capital employed (ROCE) (6) Operating ratio (7) EPS

**(08)**

Income statement for the year ended 31-3-2003

Particulars	Rs.	Rs.
Sales		6,50,000
Less : Cost of goods sold		
Opening stock	65,000	
(+) Purchases	3,57,500	
(-)Closing stock	– 97,500	3,25,000
Gross profit		3,25,000
Less : Operating expenses		
Administrative Expenses.	1,00,000	
Financial Expenses.	60,000	
Selling Expenses.	35,000	1,95,000
<b>Net Profit</b>		<b>1,30,000</b>

**Balance Sheet as on 31-3-2003**

<b>Liabilities</b>	<b>Rs.</b>	<b>Assets</b>	<b>Rs.</b>
Capital	7,00,000	Land and Building	2,60,000
Reserves and surplus	80,000	Plant and machineries	3,90,000
Creditors	2,00,000	Stock	97,500
Bank overdraft	30,000	Debtors	1,00,000
Bills payable	30,000	Bills Receivable	78,750
Cash and Bank	1,13,750		
	<b>10,40,000</b>		<b>10,40,000</b>

**OR**

**Q.3** (A) Explain Advantage and limitations of Ratio analysis. **(04)**

(B) Explain types of ratios **(04)**

**Q.4** The following is the summarised Balance Sheet of a company as on December, 2012 and 2013: **(12)**

<b>Liabilities</b>	<b>2012</b>	<b>2013</b>	<b>Assets</b>	<b>2012</b>	<b>2013</b>
	Rs	Rs		Rs	Rs
Share Capital	2,00,000	2,50,000	Land and buildings	2,00,000	1,90,000
General Reserve	50,000	60,000	Machinery	1,50,000	1,69,000
Profit and loss	30,500	30,600	Stock	1,00,000	74,000
Bank loan (Long-term)	70,000	—	Sundry Debtors	80,000	64,200
Sundry creditors	1,50,000	1,35,200	Cash	500	600
Provision for taxation	30,000	35,000	Bank	—	8,000
			Goodwill	—	5,000
	<b>5,30,500</b>	<b>5,10,800</b>		<b>5,30,500</b>	<b>5,10,800</b>

**Additional Information**

During the year ended 31 December, 2013:

1. Dividend of Rs 23,000 was paid.
2. Assets of another company were purchased for a consideration of Rs 50,000 payable in shares. The following assets were purchased: Stock Rs 20,000: Machinery Rs 25,000.
3. Machinery was further purchased for Rs 8,000.
4. Depreciation written off machinery Rs 12,000.
5. Income tax provided during the year Rs 33,000.
6. Loss on sale of machinery Rs 200 was written off to General Reserve.

You are required to prepare a cash flow statement.