

SREE CHAITANYA MAHAVIDYALAYA

Internal Assessment-2021

B.Com. Hons. Semester-VI

Financial Statement Analysis

Subject Code: FACADSE03T

FULL MARKS: 20

TIME:1 Hour

Group-A

1. Answer the following questions: 10 x 1

- (a) The three most useful general purpose financial statements for management are: -
(i) Bank Reconciliation Statement, Balance Sheet & Statement of Retained Earnings.
(ii) P & L A/C, Balance Sheet & Statement of Changes in Financial Position.
(iii) P & L A/C, Fund Flow Statement, Statement of Retained Earnings
(iv) Statement of Retained Earnings, Bank Reconciliation Statement & Fund Flow Statement
- (b) Debt equity ratio is a:-
(i) Liquidity ratio
(ii) Solvency ratio
(iii) Profitability ratio
(iv) None of the above
- (c) Cash flow example from an operating activity is
(i) Purchase of Own Debenture
(ii) Sale of Fixed Assets
(iii) Interest Paid on debenture
(iv) Issue of Equity Share Capital
- (d) An ideal Liquid Ratio is considered as:
(i) 2:1
(ii) 1:1
(iii) 1:2
(iv) 3:2
- (e) Which of the following is not a application of working capital
(i) Day to day expenditure of business
(ii) Current obligations for payment
(iii) Expenditure in the usual course of business
(iv) Expenditure to acquire capital
- (f) The Working Capital Ratio is;
(i) Working Capital / Sales
(ii) Total Assets / Total Liabilities
(ii) Current Assets / Current Liabilities
(iv) Current Assets / Total Liabilities
- (g) Price-Earnings Ratio is:
(i) Market Value of Equity / Equity Earnings
(ii) Market Value of Equity / Working Capital
(iii) Equity Earnings / Face Value of Equity Share
(iv) None of the above

Click to upload your Answer Script (PDF):

<https://forms.gle/KK6GSNvtAJQBqb1B9>

- (h) Who determine the market price of a share of common stock?
- The board of directors of the firm
 - The stock exchange on which the stock is listed
 - The president of the company
 - Market forces buying and selling of the stock
- (i) Common Size Statements are prepared
- In the form of Ratios
 - In the form of Percentages
 - In both of the Above
 - None of the Above
- (j) Main objective of Trend Analysis is
- To make comparative study of the financial statements for a number of years
 - To indicate the direction of movement
 - To help in forecasts of various items
 - All of the Above

Group-B
(Answer any two questions)

2 x 5

- (2) The Capital structure of Alpha Ltd. Is as follows:

Equity Share Capital Of Rs. 10 each	Rs. 8,00,000
9% Preference Share Capital of Rs. 10 each	Rs. 3,00,000
	Rs. 11,00,000

Additional Information:

Profit (after at 35% per cent)	Rs. 2,70,000
Depreciation	Rs. 60,000
Equity Dividend paid	20%
Market Price of Equity Share	Rs. 40

You are required to compute the following showing the necessary workings:

- Dividend yield on the equity shares
 - Price-Earnings Ratio
- (3) From the following information calculate the Cash Flow from Investing Activities

Particulars	Opening	Closing
Machinery (at cost)	400,000	420,000
Accumulated Depreciation	100,000	110,000
Patents	280,000	160,000

Additional Information :

- During the year a machine costing Rs 40,000 with this accumulated depreciation Rs 24000 was sold for Rs 20,000.
 - Patents were written off to the extent of Rs 40,000 and some patents were sold at a profit of Rs 20,000.
- (4) Write Short Notes on the followings (any two): 2½ + 2½
- Fund Flow statement
 - Comparative Statement
 - Proprietor's Fund
 - Corporate Financial Distress