



WEST BENGAL STATE UNIVERSITY
B.Com. Programme 6th Semester Examination, 2022

FACGDSE07T-B.Com. (DSE2)

FINANCIAL STATEMENT ANALYSIS

Time Allotted: 2 Hours

Full Marks: 50

*The figures in the margin indicate marks of question.
Candidates should answer in their own words and adhere to the word limit as practicable.*

GROUP-A

Answer any two questions from the following

10×2 = 20

1. The income statements of a concern for the year ending on 31st March, 2020 and 2021 are given below. Prepare a Comparative Income Statement.

Particulars	2020 ₹	2021 ₹	Particulars	2020 ₹	2021 ₹
To Cost of goods sold	2,30,000	2,40,000	By Sales	3,60,000	4,10,000
To Office expenses	23,000	27,000	Less : Returns	5,700	6,000
To Selling expenses	45,000	57,000		3,54,300	4,04,000
To Interest paid	2,000	1,000	By Other incomes:		
To Income Tax	21,000	40,000	Interest & Dividends	1,700	5,000
To Net Profit	35,000	44,000			
	3,56,000	4,09,000		3,56,000	4,09,000

2. Following are the Balance Sheets of X Ltd. and Y Ltd. as on 31-3-2021:

	X Ltd. ₹ in lakh	Y Ltd. ₹ in lakh
Assets		
Cash	20	70
Sundry debtors	220	230
Stock	100	150
Prepaid expenses	10	20
Other Current assets	10	20
Fixed assets (net)	600	500
Total Assets	960	990
Liabilities and Capital		
Sundry creditors	40	150
Other current liabilities	70	60
Fixed liabilities	220	310
Capital	610	450
Reserves	20	20
Total Liabilities	960	990

From the above data, prepare a common-size Balance Sheet and make comments.

3. From the following particulars prepare the Balance Sheet of S Ltd. for the year ended 31.12.2021.

Fixed Assets to Net Worth	5 : 8
Current Ratio	2 : 1
Acid Test Ratio	1 : 1
Reserves to Proprietors' Funds	1 : 5
Current Liabilities	₹36,000
Cash in hand	₹1,500
Fixed Assets	₹60,000

4. Write short notes (any *two*): 5+5
- (a) Decision-tree analysis (সিদ্ধান্ত গাছ বিশ্লেষণ)
- (b) Trend analysis (প্রবণতা বিশ্লেষণ)
- (c) Dividend discount model (লভ্যাংশ ডিসকাউন্ট মডেল)
- (d) Corporate distress prediction (কর্পোরেট দুর্দশার পূর্বাভাস)
- (e) Z-score model (জেড-স্কোর মডেল)
5. Discuss about (a) Balance Sheet Ratios, (b) Revenue Statement Ratios, 3+3+4
(c) Composite / Mixed Ratios (Balance Sheet & Revenue Statement Ratios).
আলোচনা করো (a) উদ্বর্ত-পত্র অনুপাত (b) আয় বিবরণী অনুপাত (c) মিশ্র অনুপাত
6. Write down the differences between (a) Cash Flow Statement and Profit and Loss Account, (b) Cash Flow Statement and Cash Book. 5+5
পার্থক্য লেখো: (a) নগদ প্রবাহের বিবরণী এবং লাভ-ক্ষতির হিসাব (b) নগদ প্রবাহের বিবরণী এবং নগদান বই।

GROUP-B

Answer any *two* questions from the following

15×2 = 30

7. The following information are available from the books of Y Ltd.

Balance Sheet

As at 31st March, 2021

Liabilities	Rs.	Assets	Rs.
Equity Share Capital @ Rs. 10 each	1,00,000	Land & Building (Net)	3,50,000
Reserves & Surplus	50,000	Other Fixed Assets (Net)	1,80,000
10% Debentures	3,00,000	Stock	60,000
12% Long Term Loan	1,00,000	Debtors	40,000
Creditors	50,000	Cash & Bank	20,000
Bank overdraft	50,000		
	6,50,000		6,50,000

Additional Information: (i) Income Tax rate is 35%. (ii) Net Sales of Y Ltd. during 2020-2021 is Rs. 7,80,000. (iii) EPS as on 31st March, 2021 is Rs. 0.975. (iv) Price Earnings Ratio is 9. Using Altman's function; calculate Z score of Y Ltd. and interpret the result.

8. Financial position of ABC Limited was as follows:

Liabilities	31/03/2020 (₹)	31/03/2021 (₹)	Assets	31/03/2020 (₹)	31/03/2021 (₹)
Current Liabilities	7,20,000	8,20,000	Cash	80,000	72,000
Loan from Z Ltd.	—	4,00,000	Debtors	7,00,000	7,68,000
Loan from Bank	6,00,000	5,00,000	Stock	5,00,000	4,40,000
Share Capital	20,00,000	20,00,000	Land	4,00,000	6,00,000
Profit & Loss A/c	9,60,000	9,80,000	Buildings	10,00,000	11,00,000
			Machinery	21,40,000	24,40,000
			Provision for Depreciation	(5,40,000)	(7,20,000)
	42,80,000	47,00,000		42,80,000	47,00,000

During the year ₹5,20,000 were paid as Dividend. Prepare Fund Flow Statement.

9. (a) Calculate price earnings ratio from the following information:

10+5

Equity Share Capital (₹10 per Share)	₹2,50,000
Reserves (including Current year's profit)	₹1,00,000
10% Preference Share Capital	₹2,50,000
9% Debentures	₹2,00,000
Profit before interest	₹3,30,000
Market Price per Share	₹50
Tax Rate	50%

(b) State the different causes of corporate financial distress.

ব্যবসায়িক সংস্থাগুলির আর্থিক দুর্বলতার কারণগুলি বর্ণনা করো।

10.(a) Z Ltd. has Plant and Machinery whose written down value on 1st April, 2015 was ₹4,30,000 and on 31st March, 2016 was ₹4,75,000. Depreciation for the year was ₹20,000. At the beginning of the year, a part of plant was sold for ₹12,500 which had a written down value of ₹10,000. Calculate Cash Flow from Investing Activities.

$7\frac{1}{2} + 7\frac{1}{2}$

(b) From the following information, calculate Cash Flow from Financing Activities:

Particulars	31 st March, 2016 ₹	31 st March, 2015 ₹
Equity Share Capital	2,50,000	2,00,000
10% Debentures	50,000	75,000
Securities Premium Reserve	25,000	20,000
Bank Overdraft	1,00,000	75,000
Interest on Bank Overdraft	7,500	5,000

Additional Information: Interest paid on debentures ₹5,000.

11. What are the objectives of Financial Statement Analysis? What are the major tools and techniques of Financial Statement Analysis? Discuss each of them in brief.

5+5+5

আর্থিক বিশ্লেষণ বিবরণীর উদ্দেশ্যগুলি কি? এই বিবরণী তৈরীর হাতিয়ার এবং পদ্ধতিগুলি কি কি? বিভিন্ন পদ্ধতিগুলি সম্পর্কে সংক্ষেপে আলোচনা করো।

N.B. : Students have to complete submission of their Answer Scripts through E-mail / Whatsapp to their own respective colleges on the same day / date of examination within 1 hour after end of exam. University / College authorities will not be held responsible for wrong submission (at in proper address). Students are strongly advised not to submit multiple copies of the same answer script.

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