

[6033]-506

T.Y. B.B.A.

**B505 : ANALYSIS OF FINANCIAL STATEMENTS**

**(2019 Pattern) (CBCS) (Semester - V)**

*Time : 2½ Hours]*

*[Max. Marks : 50*

*Instructions to the candidates:*

- 1) *Q.1 is compulsory.*
- 2) *Answer any Two questions from the remaining.*
- 3) *Use of calculator is allowed.*

**Q1) Fill in the blanks :**

**[5]**

- a) Liquid ratio can also be termed as \_\_\_\_\_ ratio.
- b) \_\_\_\_\_ provide a summary of the accounts of a business enterprise.
- c) Funds from operations have to be shown under \_\_\_\_\_ side of Fund flow statement.
- d) \_\_\_\_\_ is created out of undistributed profits (on the liabilities side of a Balance sheet)
- e) Equity share capital + Preference share capital + Reserves & Surplus – Fictitious Assets is collectively termed as \_\_\_\_\_.

**Q2) Write short Notes: (Any Three)**

**[15]**

- a) Essential Requirements of Financial Statements
- b) Turnover Ratios
- c) Sources of Funds
- d) Common Size Statements
- e) Trend Analysis

OR

What are Financial Statements? Discuss the need and importance and limitations of financial statements.

**[15]**

**P.T.O.**

Q3) Following is the Balance sheet of SRK Ltd, Bellary for the year ended 31<sup>st</sup> March 2023. [15]

Liabilities	Amount	Assets	Amount
Equity Share Capital	1,00,000	Land	4,00,000
8% Pre Share Capital	3,00,000	Plant	3,00,000
Reserves & Surplus	2,00,000	Stock	50,000
12% Debentures	2,00,000	Prepaid Expenses	25,000
Sundry Creditors	26,800	Cash in Hand	14,500
Bank Overdraft	23,200	Cash at Bank	16,500
		Sundry Debtors	44,000
Total	8,50,000		8,50,000

The Cash Sales was Rs. 10,00,000 and Credit Sales was Rs. 10,00,000. Gross Profit made by the company was Rs. 3,00,000. Calculate the following ratios :

- Current Ratio
- Liquid Ratio
- Debt Equity Ratio
- Fixed Assets to Net worth Ratio
- Gross Profit Ratio

Q4) From the following balance sheets of K Ltd, Jodhpur, prepare: [15]

- \* Fund Flow Statement
- \* Statement showing changes in working capital
- \* Necessary Ledger Accounts

Liabilities	2021	2022	Assets	2021	2022
Equity Share Capital	3,00,000	4,00,000	Goodwill	1,15,000	90,000
10% Pre Share Capital	1,50,000	1,00,000	Land	2,00,000	1,70,000
Reserves	40,000	70,000	Plant	80,000	2,00,000
Profit & Loss A/c	30,000	48,000	Debtors	1,60,000	2,00,000
Proposed Dividends	42,000	50,000	Stock	77,000	1,09,000
Creditors	55,000	83,000	Bills Receivables	20,000	30,000
Bills Payable	20,000	16,000	Cash	15,000	10,000
Provision for Taxes	40,000	50,000	Bank	10,000	8,000
Total	6,77,000	8,17,000	Total	6,77,000	8,17,000

Additional Information :

- Depreciation on Land – Rs. 10,000.
- Depreciation on Plant – Rs. 10,000.
- Interim Dividend Paid Rs. 20,000.
- Income Tax paid during the year – Rs. 35,000.

OR

Prepare a Cash Flow statement from the following particulars.

Liabilities	2021		2022		Assets	
	2021	2022	2021	2022	2021	2022
Equity Share Capital	3,00,000	4,00,000	Fixed Assets	4,00,000	5,50,000	
Profit & Loss A/c	85,000	1,10,000	Stock	2,00,000	2,25,000	
Bank Loan	1,00,000	75,000	Debtors	2,10,000	1,90,000	
Accumulated Depreciation	80,000	1,35,000	Bills Receivables	80,000	1,10,000	
Creditors	3,10,000	2,95,000	Bank	30,000	-	
Proposed Dividend	45,000	60,000				
Total	9,20,000	10,75,000	Total	9,20,000	10,75,000	

[15]

Additional Information :

- A piece of Machinery whose original cost was Rs. 60,000, accumulated depreciation on it was Rs. 15,000, was sold for Rs. 30,000.

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