

Total No. of Questions : 4]

SEAT No. :

PA-2878

[Total No. of Pages : 4

[5956]-201

M. Com. - I

**201 : FINANCIAL ANALYSIS AND CONTROL
(2019 CBCS Pattern) (Semester - II)**

Time : 2 Hours]

[Max. Marks : 70

Instructions to the candidates:

- 1) *All questions are Compulsory.*
- 2) *Figures to the right indicate full marks.*
- 3) *Use of calculator is allowed.*

Q1) Explain the meaning & importance of financial statement analysis. State its Limitations **[15]**

OR

From the following Income Statement of the Metro Ltd. Prepare a comparative income statement and interpret the Results.

Income Statement for the year ending 31-3-2021 and 2022

Particulars	2021 (Rs.)	2022 (Rs.)	Particulars	2021 (Rs.)	2022 (Rs.)
To Cost of Goods Sold	2,70,000	2,92,000	By Sales	4,00,000	4,20,000
To Gross Profit	1,22,000	1,18,000	Less: Return	8,000	10,000
	3,92,000	4,10,000		3,92,000	4,10,000
To Administrative Expenses	60,000	63,000	By Gross profit b/d	1,22,000	1,18,000
To Selling Expenses	30,000	35,000			
To net Profit	32,000	20,000			
	1,22,000	1,18,000		1,22,000	1,18,000

Q2) Define Comparative Financial Statement. State its Uses and Limitations. **[15]**

OR

P.T.O.

From the following information provided you are required to prepare a cash flow statement. [8]

Balance Sheet

Labilites	2018 Rs.	2019 Rs.	Assets	2018 Rs.	2019 Rs.
Issued Share Capital	1,00,000	1,50,000	Freehold Property at cost	1,10,000	1,30,000
Share Premium	15,000	35,000	Plant & Machinery at Cost	1,20,000	1,51,000
Profit and Loss	28,000	70,000	Fixture & Fittings at cost	24,000	29,000
Debentures	70,000	30,000	Stock	37,000	51,000
Bank Overdraft	14,000	-	Debtors	43,000	44,000
Creditors	34,000	48,000	Bank Balance	-	16,000
Proposed Dividend	15,000	20,000	Premium on Redemption of Debentures	-	1,000
Depreciation: Plant	45,000	54,000			
Fixtures	13,000	15,000			
	3,34,000	4,22,000		3,34,000	4,22,000

The Following additional information is relevant.

- i) There had been no disposal of freehold property in the year.
- ii) A machine tool which had cost of Rs. 8,000 and in respect of which Rs. 6,000 depreciations had been provided was sold of Rs. 3,000 and fixture which had cost Rs. 5,000 in respect of which depreciation of Rs. 2,000 had been provided were sold for Rs. 1,000. The profits and losses on these transactions had been dealt with through the profit and loss A/c.
- iii) The actual premium on the redemption of debentures was Rs. 2,000 of which Rs. 1,000 had been written off to the Profit and Loss A/c.
- iv) No Interim dividend had been paid.

Q3) Write a detail note on Fund Flow Statement.

[15]

OR

The following is the Balance Sheet of XYZ Limited, Pune.

Balance Sheet (as at 31.3.2029)

Liabilities	Amount Rs.	Assets	Amount Rs.
<u>Share Capital:</u>		<u>Fixed Assets:</u>	
Equity shares of		At Cost	30,00,000
Rs. 10 each	5,00,000	Less Dep.	<u>4,50,000</u>
Reserve Fund	3,50,000	Stock	5,00,000
Profit and Loss		Debtors	4,00,000
Account	5,50,000	Cash	1,00,000
Long term loans	17,50,000		
Creditors	2,50,000		
Other Current			
liabilities	1,50,000		
	<u>35,50,000</u>		<u>35,50,000</u>

Additional information:

- Profit earned during the year was Rs. 4,00,000.
- The company has declared 25% dividend.
- Market Price of Share is Rs. 560.
- Ignore provisions regarding taxation.

Calculate any Five of the following ratios:

- Debt Equity ratio
- Current ratio

- c) Acid test ratio
- d) Earnings per share
- e) Price earning ratio
- f) Dividend payout ratio
- g) Dividend yield ratio

Q4) Write short notes (Any Three)

[15]

- a) Parties interested in Analysis of Financial Statements.
- b) Sources of Funds.
- c) Importance of Ratio Analysis.
- d) Trend Analysis.
- e) Working Capital.
