

Q.1: (a) State whether the following statements are true or false.

(Any 8)

(8)

SYFM Mgmt. A/c

1. Owned funds are also termed as proprietor's fund.
2. Comparative analysis comprises of data more than 2 years.
3. In common size income statement, profit is considered as 100 %
4. External analysis is more useful for top management as compared to internal analysis.
5. Owed funds comprises of internal source of funds.
6. A company is mostly overcapitalized.
7. Marketable investments are long term investments.
8. Tax refund is anon-operating cash flow.
9. Higher the bank overdraft, higher is the working capital.
10. Temporary working capital is financed by commercial banks in 5 to 10 years.

Q.1.(b) Fill in the blanks.

(Any 7)

(7)

1. Standard current ratio = ____
2. Percentage of Margin of safety is calculated on ____ capital.
3. ____ ratio is calculated to estimate the percentage of stock as compared to the working capital.
4. ____ ratio is also called as acid test ratio.
5. Tactical information is used by ____ level of management.
6. ____ is termed as processed data.
7. ____ information is used by front line managers for a special task.
8. Working capital is used for fulfilling ____ term requirement.
9. In commonsize balance sheet, ____ is considered as 100%.
10. Fictitious assets are deducted from ____.

Q.2. From the following particulars, prepare a vertical Comparative Balance sheet of Anubhai Ltd. (15)

Liabilities	2017 (Amt)	2018(Amt)	Assets	2017 (Amt)	2018(Amt)
12% Preference share	1,20,000	1,65,000	Goodwill	30,500	20,500
Equity Share capital	1,30,000	1,30,000	Land & Building	85,000	80,700
Capital reserves	24,000	24,000	Plant & Machinery	1,20,000	2,29,000
General Reserves	40,000	51,000	Investment	60,000	80,200
Creditors	30,000	37,000	Short term investments	75,800	47,700
Bills payable	60,500	75,000	Debtors	50,000	97,000
Provision for tax	23,000	35,500	Stock	30,000	47,000
Debentures	50,000	1,30,000	Cash	26,200	45,000
	4,77,500	6,47,500		4,77,500	6,47,500

OR

Q.2. From the following particulars prepare a vertical Trend Balance Sheet for 4 years of Sita Ltd. (15)

Liabilities	2015	2016	2017	2018	Assets	2015	2016	2017	2018
Equity share capital	20	22	24	24	Land	8	8	7	9
Preference share capital	4	2	1	1	Plant	28	25	22	23
Reserves & Surplus	15	18	24	26	Furniture	5	6	5	4
13% Debentures	12	10	5	3	Current Assets	20	23	32	31
Current Liabilities	10	10	12	13					
	61	62	66	67		61	62	66	67

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Q.3. From the following particulars of Jaykant Ltd, Prepare vertical balance sheet and Income statement and calculate the following ratios. (15)

- a) Current Ratio
 b) Proprietor Ratio
 c) Capital Gearing Ratio
 d) Gross Profit ratio
 e) operating Ratio
 f) Net profit Ratio

Particulars	Amt	Particulars	Amt
Share Capital	80,000	COGS	1,10,000
Reserves & Surplus	20,000	Operating Expenses	60,000
10% Debentures	25,000	Tax	30,000
Current liabilities	50,000	Dividend	8,000
Fixed Assets	75,000		
Current Assets	1,00,000		
Sales	2,00,000		

OR

Q.3. From the following data of Taara Ltd. Prepare a vertical common size Income statement and Calculate Gross profit ratio, Admin Expenses ratio, Selling Expenses ratio.. (15)

Particulars	Amt	Particulars	Amt
Opening Stock	80,000	Sales	4,00,000
Closing stocks	1,20,000	Interest on capital	4,000
Wages	50,000	Dividend received	6,000
Factory overheads	50,000	Preference dividend	3,000
Admin expenses	15,000	Taxation	21,000
Selling & Distribution	10,000	Purchases	2,40,000
Depreciation	13,000		

Q. 4. From the following information, prepare a working capital estimate of Tashan Ltd. (15)

Production = 312,000 units per annum.

Raw material = Rs. 90 per unit.

Wages = Rs. 40 per unit

Overheads:

Manufacturing= Rs. 30 per unit

Admin = Rs. 40 per unit

Selling = Rs. 10 per unit.

Selling Price= Rs.250 per unit.

- Raw materials remain in stock for 4 weeks.
- Processing period is 2 weeks. (Consider wages- 50% and overheads – 40%. Exclude Selling overheads at processing.)
- Finished goods remain in stock for 4 weeks. (Exclude selling overheads.)
- Credit allowed to customers is 8 weeks but 20% of sales are on cash basis.
- Time lag in payment of wages is 1.5 weeks and overheads are 4 weeks. (consider all overheads)
- Credit available from suppliers is 4 weeks but 20% of the same is paid 4 weeks in advance.
- Bank balance = Rs. 60,000.

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Q.4. From the following balance sheet, prepare a Cash flow statement of Zee Company ltd. (15)

LIABILITIES	AMT(2017)	AMT (2018)	PARTICULARS	AMT(2017)	AMT(2018)
Equity Share capital	2,40,000	2,40,000	Furniture	4,20,000	5,40,000
Preference share capital	1,80,000	1,20,000	Land	5,70,000	7,26,000
General Reserve	60,000	84,660	Inventory	54,000	72,600
P/L account	30,480	48,160	Bills receivable	80,880	76,920
Provision for tax	34,000	16,000	Prepaid Expenses	51,760	34,000
Bills payable	6,75,840	7,63,980	Cash Balance	31,680	6,480
			Preliminary Expenses	12,000	10,800
	12,20,320	12,80,800		12,20,320	12,80,800

Additional Information.

- a) Company Paid tax= Rs. 30,000
- b) Company paid interim dividend at 5% on Equity capital.
- c) Preference share capital was redeemed during the year at 10 % premium.

Q.5. (a) Explain the limitations of ratios in financial analysis. (8)

Q.5. (b) Explain the factors determining working capital requirements. (7)

OR

Q.5. Write short notes on (any 3/5.) (15)

- a) Window dressing.
- b) Difference between owned fund and borrowed fund.
- c) Explain 5 stakeholders.
- d) Quick Ratio
- e) Trend analysis.
