

IMBA-1 Sem.-2 IMBA (PHM) Examination

Financial Statement Analysis

May 2022

Time : 2-00 Hours]

[Max. Marks : 50

Instructions: 1) This paper contains seven questions.

2) Attempt any five questions.

3) All questions carry equal marks.

Date: 10/05/2022 Subject Name: Financial Statement Analysis

Marks: 50

Q:1 A) Machinery was purchased for 10,000rs in 2019, in the year 2020 it was revalued at 12000rs and subsequently it was revalued at 15000rs in 2022 pass the necessary journal entries following the provisions of IND AS 16 property plant and equipment. 5

B) From the following details, calculate interest coverage ratio: Net Profit AFTER tax Rs. 60,000; 15% Long term debt 10,00,000; and Tax 40,000. 5

Q:2 10

Purchases	Quantity	Price
1 st April	700	1200
10 th April	800	1240
5 th May	500	1250
15 th June	700	1290
Sales		
7 th April	400	1800
10 th May	800	1800
30 th June	400	2000

Calculate inventory using weighted average method on inventory valuation.

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Q:3	PROFIT AFTER INT before TAX	550,000 RS	10
	Interest Expenses	25,000 RS	
	Principle(installments) Payments	35,000 RS	

TAX 20,000 RS DEPRECIATION 30000

Calculate debt service coverage ratio and interest coverage ratio from the following information.

Q:4	PARTICULARS	2020	2021	10
	Share capital	344000	426000	
	Borrowings	438000	696000	
	Current liabilities	78000	298000	
	Total	860000	1420000	
	Fixed assets	434000	574000	
	Trade receivables	426000	846000	
	Total	860000	1420000	

Prepare Comparative statements and common size statements

Q:5 Explain recognition of revenue in case of Interest, royalties & dividends 10

Q:6	Liabilities	2020	2021	Assets	2020	2021	10
	Equity share capital	100,000	400,000	Goodwill	-	20,000	
	8% Debentures	-	2,00,000	Machinery	1,25,000	4,75,000	
	Profit and loss a/c	60,000	90,000	Debtors	30,000	1,00,000	
	Creditors	40,000	1,00,000	Stock	20,000	80,000	
	Bills payable	20,000	40,000	Cash	50,000	1,50,000	
	Tax provision	30,000	40,000	Bank	25,000	45,000	
	Total	2,50,000	8,70,000		2,50,000	8,70,000	

1 The business of a sole trader was purchased by issuing share for Rs. 2,00,000. The assets acquired from him were: Goodwill Rs. 20,000, machinery Rs. 1,00,000, stock Rs. 50,000 and Debtors Rs. 30,000

2. Provision for tax charged was Rs. 35,000

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3. The debenture was issued at a premium of 5% which is included in the Profit and loss a/c.
4. Depreciation charged on machinery was Rs.30,000.

Q:7 Usefulness of computers in accounting and its limitations

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