



Seat No. : _____

MQ-201

May-2025

B.B.A., Sem.-IV

CC-213 : Corporate Financial Statements

Time : 2:30 Hours]

[Max. Marks : 70

Instructions : (1) Figures to the right indicate marks.
(2) Show calculations as part of your answer.

1. The following are the Balance Sheets of ABC Ltd. as on 31/03/2019 and 31/03/2020 : 14

Particulars	Note No.	31/03/2019	31/03/2020
[A] Equity and Liabilities :			
(1) Shareholder's Funds :			
(A) Share capital			
Equity Share Capital (₹ 100 each)		1,60,000	2,40,000
10% Preference Share Capital (₹ 100 each)		80,000	80,000
(B) Reserves and Surplus :			
General Reserve		48,000	48,000
Profit and Loss A/c		32,000	–
(2) Non-Current Liabilities :			
12% Debentures		1,60,000	80,000
(3) Current Liabilities :			
Bank Overdraft		16,000	32,000
Creditors		48,000	56,000
Bills Payable		16,000	40,000
Outstanding Expenses		8,000	16,000
TOTAL		5,68,000	5,92,000
[B] Assets :			
(1) Non-Current Assets :			
(A) Fixed Assets:			
Tangible Assets : Land & Building		1,60,000	1,44,000
Machinery		1,44,000	1,44,000
(B) Other Non-Current Assets :			
Profit & Loss A/c		–	16,000
(2) Current Assets :			
Stock		1,20,000	1,44,000
Debtors		84,800	48,000
Bills Receivable		32,000	19,200
Cash & Bank		27,200	76,800
TOTAL		5,68,000	5,92,000

Additional Information :

Particulars	31/03/2019 (₹)	31/03/2020 (₹)
Sales	5,84,000	3,50,400
Cost of goods sold	3,50,400	2,33,600
Net profit (After Interest and Tax)	56,000	76,000
Stock on 01/04/2018 ₹ 1,13,600		

Calculate the following ratios :

- | | |
|---|-------------------------------|
| (1) Current Ratio | (2) Liquid Ratio |
| (3) Gross Profit Ratio | (4) Debtor's Ratio (365 days) |
| (5) Stock Turnover Ratio | (6) Earning Per Share |
| (7) Rate of Return on Equity Shareholder's fund | |

OR

- Explain in brief characteristics of Financial Statements. 7
 - Explain in brief limitations of Ratio Analysis. 7
- Following is the summarized balance sheet of Namrata Ltd. as on 31/03/2023 and 31/03/2024 : 14

Particulars	Note No.	31/03/2023	31/03/2024
[A] Equity and Liabilities			
(1) Shareholder's Funds :			
(A) Share Capital			
Equity Share Capital (₹ 10 each)		8,00,000	12,00,000
(B) Reserves and Surplus :			
General Reserve		4,80,000	1,60,000
Profit and Loss A/c		80,000	96,000
(2) Non-Current Liabilities :			
10% Debentures		—	4,00,000
(3) Current Liabilities :			
Bills payable		1,60,000	1,60,000
Provision for taxation		1,20,000	1,36,000
Sundry creditors		2,00,000	2,48,000
TOTAL		18,40,000	24,00,000
[B] Assets :			
(1) Non-Current Assets :			
(A) Fixed Assets :			
(I) Tangible Assets :			
Building		4,80,000	8,00,000
Plant		3,20,000	7,60,000
(II) Intangible Assets :			
Goodwill		2,40,000	2,24,000
(B) Non-Current Investments		1,20,000	96,000
Other Non-Current Assets :			
Preliminary Expenses		64,000	48,000
(2) Current Assets : Stock		1,28,000	2,00,000
Debtors		3,92,000	1,68,000
Cash & Bank		96,000	1,04,000
TOTAL		18,40,000	24,00,000

Additional information :

- (1) On 1/04/2023 bonus shares at one share for every two shares were issued by capitalizing general reserve.
 - (2) Income tax of ₹ 1,12,000 was paid during the year.
 - (3) Interim dividend ₹ 64,000 was paid during the year.
 - (4) Depreciation charged ₹ 48,000 on building and ₹ 32,000 on plant.
 - (5) A plant having book value of ₹ 80,000 was sold at a profit of ₹ 8,000.
 - (6) During the year debentures were issued at 5% discount.
- From the above information, prepare cashflow statement.

OR

2. (A) Discuss utility of Cashflow Statement. 7
- (B) Explain difference between Cashflow Statement and Fundflow Statement. 7
3. The following figures for a period were extracted from the Books of Nirav Ltd. :
Prepare a Statement of Value Added and statement showing Distribution of Value Added for the year : 14

Particulars	₹	Particulars	₹
Sales	12,40,000	Retained earnings	62,500
Commission on sales	10,000	Dividend to shareholders	15,000
Purchase of raw material	5,00,000	Interest on bank loan	9,000
Stock of raw material :		Staff welfare expense	79,000
Opening	42,500	Insurance	13,000
Closing	54,000	Rent, rates and taxes	8,000
Finished goods stock :		M.D. Remuneration	42,000
Opening	1,00,000	Travelling expense	10,500
Closing	1,20,000	Advertisement	12,500
Other materials	46,500	Postage and telegram	7,000
Audit fee	2,000	Salaries and wages	3,15,000
Income tax provided	50,000	Contribution to provident fund	30,000
Depreciation	27,500	Subscription	1,000
Carriage outward	11,000		
Director's sitting fee	20,000		

OR

3. (A) Convert income statement given below into a common size statement : 7

Particulars	2014 (₹)	2015 (₹)
Sales	6,850	7,210
Less: Cost of goods sold	4,190	4,630
Gross profit	2,660	2,580
Less: Administration expenses	470	460
Less: Selling expenses	940	910
Total Operating expenses	1,410	1,370
Operating profit	1,250	1,210
Add: Other income: Dividend	220	250
	1,470	1,460
Less: Interest paid	220	220
Profit before tax	1,250	1,240
Less: Tax	620	620
Profit after taxes	630	620

- (B) Define Value Added and describe its utilities in brief. 7

4. (A) Explain how Window Dressing is different from Creative Accounting. 7
 (B) Write short note on Auditor's Report. 7
- OR**
- (A) Write a note on Interim Reporting. 7
 (B) Write short note on Income Statement. 7
5. Do as directed : (Each **One** Mark) 14
- (1) Cashflow statement is prepared as per AS _____.
 (a) 14 (b) 10 (c) 3 (d) 8
 - (2) Which of the following is an example of liquidity ratio ?
 (a) Stock turnover ratio (b) Current ratio
 (c) Net profit ratio (d) Debt equity ratio
 - (3) Loss on sale of machinery is shown under which head in Statement of Distribution of Value added ?
 (a) To Providers of capital (b) To Government
 (c) To Employees (d) To Re-Investment in Business
 - (4) Forensic Accounting detects _____.
 (a) Non-Financial Frauds (b) Financial Frauds
 (c) Both (a) and (b) (d) None of the above
 - (5) Define XBRL.
 - (6) Capital employed includes debenture. (State true or false).
 - (7) Loan borrowed from bank is a cashflow from _____ activity.
 (Operating/Investing/Financing).
 - (8) Creative Accounting is known as _____.
 (a) breaking the rules (b) bending the rules
 (c) strictly following the rules (d) None of these
 - (9) Accounting Standard 25 provides for one of the following :
 (a) Valuation of Inventories (b) Lease
 (c) Revenue Recognition (d) Interim Reporting
 - (10) If sale is ₹ 40,00,000 and cost of sale is 2/5th of sale, then what is amount of Gross Profit ?
 (a) ₹ 16,00,000 (b) ₹ 20,00,000
 (c) ₹ 24,00,000 (d) ₹ 4,00,000
 - (11) Taxation paid is a part of _____ activity. (Financial/ Operating/Investing)
 - (12) Which of the following are techniques, tools or methods of analysis and interpretation of financial statements ?
 (a) Fund Flow Analysis (b) Ratio Analysis
 (c) Trend Analysis (d) All
 - (13) Auditor is appointed by _____ of the company.
 (a) Shareholders (b) Investors
 (c) Board of Directors (d) Creditors
 - (14) Mention any two Leverage Ratios.