Seat No. : 00482

AO-103

April-2024

B.B.A., Sem.-IV

CC-213 : Corporate Financial Statements

Time : 2½ Hours] **[Max. Marks : 70**

Instruction : Show necessary working notes.

1. The following are the Balance Sheets of Radha Ltd. as on 31-3-2023 and 31-3-2024 : 14

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Particulars	Note No.	31-3-2023 ₹	31-3-2024 ₹
[A] Equity and Liabilities :			
[1] Shareholders Funds :			
A. Share Capital :			
Equity Share Capital (₹ 10 each)		18,00,000	24,00,000
10% Preference Share Capital (₹ 10 each)		12,00,000	6,00,000
B. Reserve & Surplus :			
General Reserve		7,50,000	9,00,000
[2] Non Current Liabilities :			
8% Debentures		12,00,000	12,00,000
[3] Current Liabilities :			
Creditors		4,80,000	6,00,000
Bank Overdraft		6,00,000	4,80,000
Bills Payable		1,20,000	4,50,000
Total		**61,50,000**	**66,30,000**
[B] Assets :			
[1] Non- Current Assets :			
A. Fixed Assets :			
Tangible Assets :			
Land & Building		24,00,000	36,00,000
Machinery		13,50,000	9,00,000
Furniture		6,00,000	3,00,000
B. Other Non- Current Assets :			
Preliminary Expenses		1,56,000	2,13,000
[2] Current Assets :			
Debtors		7,50,000	9,00,000
Stock		7,50,000	6,75,000
Cash & Bank Balance		1,44,000	42,000
Total		**61,50,000**	**66,30,000**

Additional Information :

Particulars	31-3-2023 ₹	31-3-2024 ₹
Total Sales (Cash sales are 3/5 of credit sales)	48,00,000	64,80,000
Gross Profit	13,50,000	14,40,000
Net Profit (Before interest on debentures & tax)	9,60,000	10,80,000
Tax Rate	50%	50%

From the above information, calculate the following ratios for both the years :

(1) Current Ratio
(2) Earning Per Share
(3) Gross Profit Ratio
(4) Net Profit Ratio
(5) Debtors Ratio (360 days)
(6) Capital Gearing Ratio
(7) Return on Capital Employed

OR

1. (A) Discuss the limitations of Financial Statements. 7
   (B) Discuss utility of Ratio Analysis in brief. 7

2. The following are the Balance Sheet of XYZ Co. Ltd. as on 31st March : 14

Particulars	Note No.	31-3-2023 ₹	31-3-2024 ₹
[A] Equity and Liabilities :			
[1] Shareholders Funds :			
A. Share Capital :			
Equity Share Capital (of ₹ 10 each)		15,00,000	22,50,000
B. Reserve & Surplus :			
General Reserve		9,00,000	3,00,000
Profit & Loss A/c		1,50,000	1,80,000
[2] Non Current Liabilities :			
10% Debentures		—	7,50,000
[3] Current Liabilities :			
Creditors		6,75,000	7,65,000
Provision for Taxation		2,25,000	2,55,000
Total		**34,50,000**	**45,00,000**
[B] Assets :			
[1] Non Current Assets :			
A. Fixed Assets :		19,50,000	33,45,000
B. Non- Current Investments :			
Investments		2,25,000	1,80,000
C. Other Non Current Assets			
Preliminary Expenses		1,20,000	90,000

[2] **Current Assets :** Stock Debtors Cash and Bank Balance		1,50,000 8,25,000 1,80,000	2,25,000 5,25,000 1,35,000
Total		**34,50,000**	**45,00,000**

Additional Information :

(1) Investments costing ₹ 75,000 were sold at a profit of ₹ 15,000 and & the profit was credited to Profit & Loss a/c.

(2) Depreciation of ₹ 75,000 was provided on fixed assets.

(3) Income tax of ₹ 2,10,000 was paid during the year.

(4) On 1-4-2023, bonus shares at one share for every two shares were issued by capitalizing General Reserve.

From the above information, prepare a Cash Flow Statement.

OR

2. (A) Prepare Cash Flow Statement with imaginary figures. **7**

   (B) Discuss difference between Cash Flow Statement and Fund Flow Statement. **7**

3. The following figures are extracted for the year ended 31-3-2024 from the Books of Krupa Ltd. : **14**

(14)

Particulars	₹	Particulars	₹
Sales	15,00,000	Interest on Bank Loan	8,000
Purchase of Raw Materials	6,00,000	Income tax provided	52,000
Consumption of Other Materials	60,000	Staff Welfare expenses	82,000
Carriage Outward	12,000	Insurance	13,000
Commission on sales	10,000	Managing Director's Remuneration	42,400
Dividend to Shareholders	17,000	Postage & Telegram	8,000
Travelling expenses	9,000	Subscription	1,800
Retained Earnings	1,32,800	Rent &Tax	7,000
Directors Sitting Fees	20,000	Advertisement Expenses	14,000
Depreciation	31,000	Salaries & Wages	3,85,000
Audit Fees	2,000	Contribution to Provident Fund	35,000

8,05,200

	1-4-2023 ₹	31-3-2024 ₹
Stock of Raw Materials	50,000	60,000
Stock of Finished Goods	92,000	1,24,000

Prepare Value Added Statement and distribution of value added statement.

OR

3. (A) Convert the following Income Statement into a Common Size Statement : 7

Particulars	₹
Sales	1,60,000
(–) Cost of Goods sold	1,00,000
Gross Profit	60,000
(–) Operating Expenses :	
Administration Expenses	16,000
Selling Expenses	14,000
Operating Profit	30,000
(–) Interest paid	10,000
Profit before tax	20,000
(–) Tax	6,000
Profit after tax	14,000

(B) What is XBRL ? Discuss the advantages of XBRL. 7

4. Write short notes on : 14

(1) Auditor Report

(2) Interim Reporting

OR

4. (A) Discuss difference between Window Dressing and Creative Accounting. 7

(B) Write a short note on: Segment Reporting. 7

5. Do as directed : (Any **seven**) 14

(1) Trend Percentages is the method for analyzing Financial Statements. (True / False)

(2) Liquid Liabilities does not include _______. (Creditors / Bank Overdraft)

(3) Proprietor's funds does not include fictitious assets. (True / False)

(4) ICAI has issued Accounting Standard _______ for Cash Flow Statement.

(a) 3 (b) 5

(c) 10 (d) 12

(5) Cash flow increase due to _______ in current assets. (increase / decrease)

(6) Purchase of Investment is shown in which activity of Cash Flow Statement ?

(a) Investing Activity (b) Financing Activity

(c) Operating Activity (d) None of the Above

(7) Accounting Standard 17 deals with Segment Reporting. (True / False)

(8) Give the full form of XBRL.

(9) Income tax is shown under which head in Statement of Distribution of Value added ?

(a) To Employees (b) To Government

(c) To Providers of Capital (d) To Reinvestment in Business

(10) Define : Corporate Governance

(11) Common size statements are expressed in percentage. (True / False)

(12) Corporate Reporting is a communication process of providing the information to the stakeholders on the regular periodic basis. (True / False)