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**[4967]-5005**

**B.B.A. (Fifth Semester) EXAMINATION, 2016**

**ANALYSIS OF FINANCIAL STATEMENTS**

**(Specialization—1 : Finance)**

**(2013 PATTERN)**

**Time : Three Hours**

**Maximum Marks : 80**

- N.B. :—**
- (i) All questions are compulsory.
  - (ii) Figures to the right indicate full marks.
  - (iii) Use of calculator is allowed.

1. What do you mean by Financial Statements of a company ? Explain the concepts and conventions followed in the preparation of Financial Statements. [16]

*Or*

- (A) What do you mean by Ratio Analysis ? State objectives of Ratio Analysis. [8]
- (B) Give reasons, classify the following into Cash Flows from : [8]
- (a) Operating Activities
  - (b) Investing Activities
  - (c) Financing Activities.
  - (i) Payment of Dividend of ₹ 18,000
  - (ii) Sales of goods ₹ 35,000
  - (iii) Purchase of plant and machinery of ₹ 1,25,000
  - (iv) Receipt of Interest on Fixed Deposit of ₹ 2,500.

P.T.O.

2. Discuss the various techniques of Financial Analysis in detail. [16]

*Or*

(A) Distinguish between Funds Flow Statement and Cash Flow Statement. [8]

(B) What do you mean by Inter Firm Comparison ? Explain its utility. [8]

3. (A) Write short notes on any *two* : [8]

(a) Limitations of Ratio Analysis

(b) Interpretation of Financial Statements

(c) Advantages of Financial Statement Analysis

(d) Types of Financial Analysis.

(B) Calculate the trend percentage from the following figures provided by Sony Limited taking 2010-11 as the base and comment thereon : 8

Year	Sales Amount in (₹)	Stock Amount in (₹)	Profit before Tax Amount in (₹)
2010-11	18,00,000	7,00,000	3,20,000
2011-12	23,00,000	7,81,000	4,35,000
2012-13	26,50,000	8,15,000	4,57,000
2013-14	30,20,000	9,44,000	5,27,000
2014-15	37,60,000	11,50,000	6,73,000

4. Draw up the Balance Sheet of XYZ Ltd., from the following data for year ended on 31st March, 2015 : [16]

Annual Turnover	₹ 12,00,000 (20% Sales are on Cash Basis)
Sales to Net Worth	4 times
Current Liabilities to Net Worth	50%
Total Debts to Net Worth	80%
Current Ratio	2.2 : 1
Sales to inventory	8 times
Average collection period	60 days
Fixed Assets to Net Worth	7%

5. Balance Sheets of A Limited as on 31st March, 2014 and 31st March, 2015.

Liabilities	31-3-2014 (₹)	31-3-2015 (₹)	Assets	31-3-2014 (₹)	31-3-2015 (₹)
Equity Share Capital	3,00,000	3,50,000	Land & Building	2,60,000	4,00,000
15% Preference Share Capital	2,00,000	1,00,000	Machinery	2,50,000	2,50,000
Reserve Fund	35,000	65,000	Investments	30,000	50,000
Profit & Loss A/c	75,000	2,05,000	Stock	1,28,000	1,05,000
15% Debentures	1,00,000	2,00,000	S. Debtors	72,000	2,00,000
S. Creditors	68,000	1,24,000	Bills Receivables	32,000	65,000
Bills Payable	12,000	36,000	Cash in hand	8,000	5,000
			Preliminary Expenses	10,000	5,000
	7,90,000	10,80,000		7,90,000	10,80,000

*Additional Information :*

- (a) A machine having cost price of ₹ 35,000 (Accumulated Depreciation ₹ 23,000) was sold for ₹ 25,000.
- (b) During the year 15% Preference shares redeemed at a premium of 15%.
- (c) Dividend on equity shares @ 15% was paid.
- (d) All fixed assets are depreciated by 10% p.a.
- (e) There was a liability for workmen compensation of ₹ 24,000 which was settled by the company for ₹ 18,000.

Prepare Funds Flow Statement, Statement showing Changes in Working Capital and necessary working notes. [16]