

**FINANCIAL STATEMENT ANALYSIS****[Time: 3.00 Hrs.]****[ Marks: 80 ]****N.B. (1) Q.1 is Compulsory****(2) Attempt any THREE questions from the Q. No.2 to Q. No.5****Q.1A) State whether the following statements are True or False.****[10]**

1. Authorised Capital is the maximum capital a company can raise as mentioned in the Memorandum of Association under its Capital Clause.
2. Funds Flow Statement describes the sources from which the additional funds were derived and the use of these funds.
3. In common size income statement, the sales figure is taken as 100%.
4. The DuPont analysis also called the DuPont model.
5. Dividend received is cash inflow from operating activities.
6. Miscellaneous Expenses not written off is one of the fictitious asset.
7. Net profit ratio is Balance Sheet Ratio.
8. Short-term investment is current asset
9. Standard of Current Ratio is 1:1
10. A cash flow statement shows the changes in cash position from one period to another

**Q. 1B) Match the following.****[10]**

<b>A Group</b>	<b>B Group</b>
Liquidity Ratio	Quick Asset
Profitability Ratio	Non Quick Asset
Efficiency Ratio	Quick Liability
Solvency Ratio	Non Quick Liability
Quick Ratio	Intangible Fixed Asset
Bank Overdraft	Acid Test Ratio
Prepaid Expenses	Debt Equity Ratio
Debtors	Return on capital Employed
Bills Payable	Current Ratio
Copy Rights	Creditors Turnover Ratio

**Q.2 A] What are the various tools of Financial Statement Analysis?****[10]****Q.2 B] From the following data, calculate the trend percentage:****[10]**

<b>Particulars</b>	<b>2021 ₹</b>	<b>2022 ₹</b>	<b>2023 ₹</b>
Sales	12,00,000	16,00,000	20,00,000
Cost of goods sold	6,00,000	10,00,000	12,00,000
Selling Expenses	2,00,000	3,00,000	4,00,000
Administrative Expenses	1,00,000	1,20,000	1,60,000
Non- Operating Expenses	60,000	80,000	40,000



To Provision for I.Tax	2,78,000		
To Proposed Dividend	1,00,000		
To Net Profit	4,00,000		
<b>Total</b>	<b>14,00,000</b>	<b>Total</b>	<b>14,00,000</b>

**Balance sheet as on 31.3.2023**

<b>Liabilities</b>	<b>Amt.</b>	<b>Assets</b>	<b>Amt.</b>
Equity Share Capital (Rs.10)	5,00,000	Fixed Assets (at cost)	12,40,000
11% Preference Sh. Capital	3,00,000	Trade Receivable	9,50,000
Share Premium	1,00,000	Cash and Bank	1,50,000
General Reserve	4,00,000	Inventories	5,00,000
12% Debenture (Last Year Rs. 9,00,000)	6,00,000	Discount on Issue of Shares	60,000
Trade Payable	3,00,000		
Proposed Dividend	1,00,000		
Bank Overdraft	2,00,000		
Provision For Depreciation	4,00,000		
Provision for Tax	2,00,000		
<b>Total</b>	<b>30,00,000</b>	<b>Total</b>	<b>30,00,000</b>

From the above information calculate following ratios.

1. Current ratio
2. Quick Ratio
3. Inventory Turnover Ratio
4. Debtors Turnover Ratio
5. Return on Proprietors Fund
6. Capital Gearing Ratio
7. Operating Ratio

**Q. 5 Write Short Notes on: (any four)****[20]**

- a) Objectives of Financial Statement
- b) Importance of Ratio Analysis
- c) Du Pont Model
- d) Hierarchy of Free Cash Flows
- e) Common Size Statement Analysis