

2024**M. Com.****4th Semester Examination****FINANCIAL STATEMENT ANALYSIS
AND FINANCIAL REPORTING****PAPER – COM 405****Full Marks: 50****Time: 2 Hours***The figures in the right-hand margin indicate full marks.**Candidates are required to give their answers in their own words as far as practicable.***UNIT – I****1. Answer any two questions:****2 X 5**

- a) i) State the objectives of financial statement.
ii) From the following Balance Sheet calculate Debt Equity Ratio considering preference share capital as debt.

Liabilities	Amount (Rs.)	Assets	Amount (Rs.)
Equity share capital	2,00,000	Fixed assets	3,00,000
10% Preference share capital	1,00,000	Current assets	2,75,000
General Reserve	50,000	Miscellaneous Expenditure	25,000
Profit & Loss A/C	50,000		
12% Debenture	1,00,000		
Current Liabilities	1,00,000		
	6,00,000		6,00,000

5

- b) PHZ Ltd. has existing assets in which it has capital invested of Rs. 150 crores. The after tax operating income is Rs. 20

crores and company has accost of capital of 12%. Estimate the Economic Value Added (EVA) of the firm. 5

- c) Write the successful step for implementation of the Balance Scorecard (BSC). 5

2. Answer any one question:**1 X 10**

- a) From the following Balance Sheet and other information prepare a Cash Flow Statement as per AS -3

Particulars	31.12.22	31.12.23	Particulars	31.12.22	31.12.23
Equity share capital	3,00,000	3,50,000	Goodwill	1,00,000	89,000
8% Pref. Share Capital	1,50,000	1,00,000	Land & building (cost)	2,00,000	1,70,000
Share premium Capital	20,000	25,000	Plant & Machinery (Net)	80,000	2,00,000
Reserve General	40,000	75,000	Investment	20,000	35,000
Reserve P&L	30,000	73,000	Debtors	1,40,000	1,70,000
Appropriation A/c			Stock	77,000	1,00,000
Creditors	55,000	83,000	Bills Receivable	20,000	30,000
Bills Payable	20,000	16,000	Cash and Bank	25,000	18,000
Proposed Dividend	42,000	50,000	Preliminary Expenses	35,000	30,000
Provision for tax	40,000	50,000			
	6,97,000	8,42,000		6,97,000	8,42,000

Additional information:

- i) One piece of land was sold at a profit and the profit was transferred to capital reserve.
ii) One machine was sold for Rs. 15,000 (WDV) on the date of sale was Rs. 18,000.
iii) Depreciation charged on plant and machinery amounted Rs.16,000.
iv) Dividend of Rs. 4000 was received from investment of which Rs. 2,000 was credited to investment account being dividend declared from pre-acquisition profit.

v) Actual amount of dividend and taxes paid were Rs. 35,000 and Rs. 38,000 respectively. 10

b) The following financial statement is summarized from the books of XYZ Ltd. as at 31.03.2023.

Liabilities	Rs.	Assets	Rs.
Paid up capital	15,00,000	Fixed assets	16,50,000
Reserve and Surplus	6,00,000	Stock in trade	9,10,000
	5,00,000	Book debts	12,40,000
Debenture (Long term)	2,00,000	Investment	1,60,000
Bank Overdraft	12,00,000	short time	40,000
Sundry Creditors		Cash	
	40,00,000		40,00,000

Additional information:

Annual sales Rs. 74, 40,000 and Gross profit Rs. 7, 44,000

You are required to calculate the following ratios for the year and comment on the financial position as revealed by these ratios:

- i) Debt –Equity Ratio
- ii) Proprietary Ratio
- iii) Current Ratio
- iv) Gross profit Ratio 2.5 × 4

UNIT – II

3. Answer any two questions: 2 X 5

- a) What is IFRS? Differentiate between IASB and IASC. 2+3
- b) What do you mean by inventories? Name the stocks that are excluded as inventories Briefly define Basic Customs Duty (BCD) and Anti-Dumping duty as per Customs Act. 2+1+2
- c) Write a short note on IFRS. 5

4. Answer any one question: 1 X 10

- a) i) What do you mean by “Social Cost” in the context of social accounting?
ii) Write a short note on Environmental Reporting. 5+5
- b) i) What is an operating segment?
ii) Briefly narrate the important provisions of segment reporting as per Ind AS 108.
iii) State the important disclosures that are required to be made as per Ind AS 108. 1+5 +4

(Internal Assessment: 10 marks)