

Reg No.: _____

Name: _____

APJ ABDUL KALAM TECHNOLOGICAL UNIVERSITY
FOURTH TRIMESTER MBA DEGREE EXAMINATION(R&S), NOVEMBER 2019

Course Code: FINT406

Course Name: Financial Statement Analysis

Max. Marks: 60

Duration: 3 Hours

PART A

Answer all questions. Each question carries 2 marks.

- | | | Marks |
|---|--|-------|
| 1 | Distinguish between Inter firm and Intra firm analysis | (2) |
| 2 | Write a note on comparative financial statements | (2) |
| 3 | Enumerate the uses of Cash flow statement. | (2) |
| 4 | What is financial forecasting? | (2) |
| 5 | Write short note on sensitivity analysis. | (2) |

PART B

Answer any three questions. Each question carries 10 marks.

- | | | |
|---|--|------|
| 6 | Explain various tools and techniques used in financial statement analysis. | (10) |
| 7 | a. A Ltd has current assets worth Rs. 9,00,000. The company's current ratio is 1.5:1 and its quick ratio is 1:1. Calculate current liabilities and inventories.
b. The following details are taken from the books of RV stores, sales Rs3,39,800, Sales returns and allowances Rs 3800, stock at the beginning of the year at cost price Rs13,700, the stock at the end of the year at cost price Rs.18,100, and gross profit for the year Rs 80,600. Calculate; purchase for the year, rate of stock turnover, percentage of gross profit to turnover. | (10) |
| 8 | The following data have been extracted from the financial statements of a company | (10) |

Equity share capital	4,00,000
12% Preference share capital	1,00,000
General Reserve	1,20,000
Profit & Loss	1,30,000
Securities premium	40,000
Capital reserve	30,000
15% Debentures	2,00,000
Net profit before tax	2,70,000
Provision for tax	25,000
Tax actually paid during the year	32,000
Discount on issue of shares	20,000
Total Assets	12,00,000

From the above calculate

- a. Return on Shareholders fund
- b. Return on equity
- c. Return on capital employed
- d. Return on total assets

(10)

9 What prospective analysis? How it is important for performance prediction. Illustrate relevant examples for supporting your answers.

10 Assume that firm has an Owner's equity of Rs 1,00,000. The ratios for the firm are

Short term debts to total debts	0.4
Total debt to owner's equity	0.6
Fixed assets to owner's equity	0.6
Total Asset turnover	2 times
Inventory turnover	8 times

(10)

Complete the following Balance sheet from the information given below

Capital & Liabilities		Assets	
Short term debt	Cash
Long term debt	Inventory
Owner's equity	Fixed assets

PART C

Compulsory Question. The question carries 20 marks.

11 Prepare cash flow statement from the following

(20)

Balance Sheet as on 31st March 2019

Liabilities	2018	2019	Assets	2018	2019
Share Capital	200000	210000	Fixed assets	350000	475000
Retained earnings	160000	300000	Inventory	100000	95000
Debentures	60000	0	Bills receivable	43000	50000
Premium on shares	0	5000	Prepaid expenses	4000	5000
Accumulated Depreciation	80000	100000	Cash	15800	10200
Bills payable	37800	40200	Commission on shares	25000	20000
	537800	655200		537800	655200

- a. Depreciation for the year Rs 20000
- b. Income tax paid was Rs 40000
- c. Interim dividend paid during the year was Rs 20000
