

Reg No.: _____

Name: _____

APJ ABDUL KALAM TECHNOLOGICAL UNIVERSITY
Fourth Semester MBA Degree Examination June 2022 (2020 scheme)

Course Code: 20MBA232

Course Name: Financial Information Analysis

Max. Marks: 60

Duration: 3 Hours

PART A

Answer all questions. Each question carries 2 marks

Marks

- | | | |
|---|---|-----|
| 1 | Differentiate inter firm and intra firm analysis | (2) |
| 2 | List out any 2 short term solvency ratios and 2 long term solvency ratios | (2) |
| 3 | Illustrate the term fund in funds flow statement with the help of an example. | (2) |
| 4 | State the significance of forecasting from profitability | (2) |
| 5 | Write a short note on Discounted cash flow model | (2) |

PART B

Answer any 3 questions. Each question carries 10 marks

- | | | |
|---|---|------|
| 6 | Calculate funds from operation from the information given on 31.03.2022 | (10) |
| | a) Net profit for the year ended 31.12.2022 Rs.13,00,000/- | |
| | b) Profit on sale of land Rs. 1,50,000/- | |
| | c) Preliminary expenses written off during the year 21-22 is 1,20,000/ | |
| | d) Depreciation has been provided during the year on furniture at 20% whose total cost is Rs. 13,00,000 | |
| | e) Dividend paid during the year is Rs. 80,000/- | |
| | f) Old machinery worth Rs. 16000/(after depreciation) has been sold for Rs.13,000/- during the year | |
| | g) Goodwill appears in the books at Rs. 3,60,000/- out of that 10% has been written off during the year | |
| | h) Gain on sale of building Rs. 71,000 | |
| | i) Rs. 2,50,000 have been transferred to the general reserve fund | |
| | j) Depreciation on electrical fitting charged during the year Rs. 20,000/- | |
| | k) Loss on sale of electrical fitting during the year Rs. 30,000 | |

- 7 Prepare a common size balance sheet of Mist India ltd and interpret the results. (10)

Liability	2021-22 ₹	Asset	2021-22 ₹
Equity share capital	6,00,000	Land & Building	8,00,000
Preference share capital	4,00,000	Plant & Machinery	6,00,000
Reserves & Surplus	2,00,000	Furniture	1,00,000
Secured loans	4,80,000	Investments –long term	2,00,000
Unsecured loans	2,20,000	Cash	1,00,000
Sundry creditors	2,00,000	Debtors	2,00,000
Bills payable	2,40,000	Stock	4,00,000
Provision for taxation	60,000		
	24,00,000		24,00,000

- 8 Following are the ratios of Zamzam Industries . (10)

Debtors velocity - 3 months
 Stock velocity - 8 months
 Creditors velocity - 2 months
 Gross profit - Rs. 4,00,000
 Gross profit ratio - 25%

Closing stock of the year is Rs.10,000/- above the opening stock (Closing Stock was excess of Rs.10,000 of opening stock)

Bills receivable -Rs. 25,000/-
 Bills payable - Rs. 10,000/-

Find out a) Sales b) Sundry Debtors c) Closing stock d) Sundry creditors

- 9 Illustrate the process of forecasting from balance sheet and income statement with the help of an example (10)

- 10 Write short notes on (10)

- a) SOTP
 b) Residual income model
 c) Trade comparable analysis
 d) PEG ratio

PART C*Compulsory question. This question carries 20 marks*

- 11 From the following information prepare a cash flow statement of Rain Concert India Ltd (20)
for the year 2021-22

Balance Sheet					
Liabilities	2020-21	2021-22	Assets	2020-21	2021-22
Equity capital	2,340,000	2,400,000	Goodwill		20,000
Preference capital	1,225,000	1,225,000	Plant&machinery	2,400,000	2,403,250
General reserve	930,000	930,000	Land&Building	2,504,250	2,500,000
P&L A/c	285,000	286,530	Current Assets	143,560	115,760
Bank loan- long	59,510	0	Cash	10,200	10,400
Provision for tax	40,000	50,000			
Creditors	138,500	117,880			
Bank overdraft	40,000	40,000			
	<u>5,058,010</u>	<u>5,049,410</u>		<u>5,058,010</u>	<u>5,049,410</u>

- a) A dividend of rupees 26,000/- was paid during the year 2021-2022
- b) During the year 2021-22, Rain Concert India Ltd paid tax of Rs. 25,000
- c) During the year 2021-22 Rain Concert India Ltd purchased Mobme Ltd and paid rupees 60,000- in share capital. Rain Concert India Ltd acquired stock of Rs. 21,640 and plant Rs.18,360/-
- d) Rain Concert India Ltd purchased machinery costing Rs. 5650/-during the year
