Program:	S.Y.B.Com. (M S)	**Semester:**	III	**Program Code:**	UGMS02
Course:	Financial Statement Analysis			**Course Code:**	NUMS305
Duration:	1 Hour	**Examination Pattern:**	NEP – Autonomous - External	**Max. Marks:**	30

Instructions:

1. Q.1. is compulsory.
2. Attempt any two questions from Q.2. to Q.4.
3. Figures to the right indicate full marks.
4. CO (Course Outcome), KL (Knowledge Level).

Examination:

REGULAR

Q. 1		**Attempt the following**					**CO's**	**KL's**
	(a)	**Fill in the blanks with an appropriate answer from the alternatives given.**				**[05]**		
		I	A firm's inventory was ₹80,000 in the previous year and it decreased by 10% in the current year. What is the current year's inventory value?				**CO1, CO2**	**L1, L2**
			a.	88000	**b.**	72000		
			c.	70000	**d.**	90000		
		II	If Current Assets are ₹4,00,000, Inventory is ₹80,000, and Prepaid Expenses are ₹20,00,000 (Wait: let's use Prepaid Expenses of ₹20,000), and Current Liabilities are ₹2,00,000, what is the Current Ratio?					
			a.	2:1	**b.**	1.5:1		
			c.	2.5:1	**d.**	1:1		
		III	Total current assets of a firm increased by ₹40,000, and total current liabilities increased by ₹15,000 over the previous accounting year. What is the net effect on working capital?					
			a.	Increase of ₹55,000	**b.**	Increase of ₹25,000		
			c.	Decrease of ₹25,000	**d.**	Decrease of ₹55,000		
		IV	A company has a net profit margin of 5%, a total asset turnover of 2.0, and an equity multiplier of 1.5. What is the company's Return on Equity (ROE)?					
			a.	10%	**b.**	15%		
			c.	7.5%	**d.**	25%		
		V	Company X has three divisions. Division A: - Revenue = $500,000; Operating Profit = $50,000; Division B: - Revenue = $800,000; Operating Profit = $96,000; Division C: - Revenue = $300,000; Operating Profit = $18,000. Which division has the highest segment profit margin?					
			a.	Division A	**b.**	Division B		
			c.	Division C	**d.**	Division A and C are equal		

	(b)	**State whether the following statements are true or false.**	**[05]**		
		I Proceeds from issuing bonds are classified as an investing activity.		**CO1, CO2**	**L1, L2**
		II A fund flow statement is prepared by using data from a single year's profit and loss account.			
		III Comparative statements eliminate the need for any other financial analysis tools like ratio analysis.			
		IV Common size statements only work for companies that have the exact same total asset value.			
		V The primary objective of DuPont analysis is to disaggregate a company's Return on Equity (ROE) into operational and financial components.			

Q. 2 **[10]** **CO's** **KL's**

Prepare Comparative Balance sheet for the year ended 31.3.2018 and 31.3.2019. Assets and Liabilities are as follows:

Particulars	**31.3.2018**	**31.3.2019**
Fixed Assets	1,20,000	1,50,000
Share Capital	60,000	72,000
Current Assets	28,000	33,000
Reserves and Surplus	24,000	30,000
Loan	34,000	57,000
Current Liabilities	30,000	24,000

CO3 **L3**

Q. 3 **[10]** **CO's** **KL's**

From the following Balance sheet of ABC Ltd. and additional information prepare Fund Flow Statement.

Liabilities	**2003 Rs.**	**2004 Rs.**	**Assets**	**2003 Rs.**	**2004 Rs.**
Share Capital	3,00,000	4,00,000	Cash	30,000	90,000
Reserve	1,00,000	50,000	Accounts Receivable	1,05,000	1,50,000
Profit & Loss A/c	30,000	60,000	Inventories	1,50,000	1,95,000
Accounts Payable	45,000	1,35,000	Fixed Assets	1,90,000	2,10,000
	4,75,000	**6,45,000**		**4,75,000**	**6,45,000**

Additional Information: -

a) The company issued bonus shares for Rs. 50,000 and for cash Rs. 50,000.

b) Depreciation written off during the year Rs. 15,000.

CO3 **L3**

Q. 4 **[10]** **CO's** **KL's**

a) Data Given:

Financial Metric	Beta Corp. (Rs.)	Gamma Inc. (Rs.)
Sales	50,00,000	80,00,000
Net Income	4,00,000	4,80,000
Total Assets	25,00,000	40,00,000
Shareholder's Equity	10,00,000	20,00,000

CO3 **L3**

		Compute the 3-step DuPont breakdown for both Beta Corp and Gamma Inc.			
		b) A company has five operating segments with the following total revenues (external + intersegment): Segment A (Rs. 30,000), Segment B (Rs. 12,000), Segment C (Rs. 4,000), Segment D (Rs. 3,000) and Segment E (Rs. 1,000). Total combined revenue for all segments is Rs. 50,000. Which segments are reportable under the 10% revenue threshold?			

- - X - - X - -