

Roll No.

Total Pages : 6

BBA/M-20

10502

ANALYSIS OF FINANCIAL STATEMENTS

Paper–BBA-109

Time Allowed : 3 Hours]

[Maximum Marks : 80

Note : Attempt five questions in all. Question No. 1 is compulsory. All questions carry equal marks.

Compulsory Question

1. Write notes on the following : 16

(a) Define common size statements.

(b) Vertical analysis.

(c) Interest coverage ratio.

(d) Non-current liabilities.

10502/K/589

P. T. O.

- (e) Schedule of changes in Working Capital.
- (f) Projected Cash flow statement.
2. What do you mean by Financial statement? Explain the nature and limitations of Financial statements. 16
3. What do you understand by the analysis of Financial statements? What are the various techniques of analysing Financial statements? Explain any two of them. 16
4. Briefly explain the following : 16
- (a) Debt Equity Ratio.

(b) Earning Per share.

(c) Current Ratio.

(d) Gross Profit Ratio.

5. Explain the procedure of preparing Cash flow statement with the help of imaginary figures. 16

6. Following information is given to you : 16

	X Ltd.	Y Ltd.
	(Rs.)	(Rs.)
Annual Sales	6,00,000	8,00,000
Percentage of Gross Profit on Sales	20%	25%
Average Inventory	80,000	1,50,000
Liquid Assets	96,000	1,35,000
Liquid Ratio	1.2 : 1	0.9 : 1

10502/K/589

3

P. T. O.

Closing Inventory	84,000	1,65,000
Closing Debtor	60,000	1,00,000

Calculate :

- (a) Inventory turnover ratio.
- (b) Working capital turnover ratio.
- (c) Current ratio.
- (d) Debtors turnover ratio.
- (e) Average collection period in months.

7. From the following information, prepare a Cash flow statement : 16

	Rs.
Increase in Equity share capital	40,000

Dividend paid during the year 17,500

Transfer to General reserve 2,000

Purchase of Building 33,250

Additional information :

	31-3-2017	31-3-2018
	Rs.	Rs.
Cash at Bank	25,000	37,500
Trade Receivables	75,000	90,000
Trade payables	50,000	37,500
Outstanding Wages	22,500	16,250
Profit & Loss balance	42,000	79,500

8. Define and distinguish between the following : 16

(a) Fund flow statement and Balance sheet.

r

(b) Fund flow statement and Cash flow statement.

downloaded from
StudentSuvidha.com