

(6)

	31-03- 2018 (Rs.)	31-03- 2019 (Rs.)
Fixed assets: Cost less		
Depreciation	11,70,000	16,90,000
Investments	2,00,000	1,50,000
Sundry debtors	5,00,000	4,50,000
Stock in trade	4,50,000	3,90,000
Cash with Bank	90,000	60,000
Goodwill	2,70,000	2,00,000
	26,80,000	29,40,000

The following information is also made available to you:

—Investments were sold during 2018-19 at a loss of 20% on cost.

—An item of fixed assets cost Rs.70,000/-depreciation provided Rs.66,000/-had to be discarded in 2018-19 without any scrap value.

—Depreciation provided during 2018-19 came to Rs.1,80,000/-

—The increase in Share capital was due to issue of bonus shares out of reserves.

Prepare the Funds Flow Statement for the year ending 31-03-2019.

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Course Code
DIA – 06

Term End Examination - December, 2019

ANALYSIS OF FINANCIAL STATEMENT

Diploma in Accounting (DIA)

Time : 3 hours

Full Marks : 100

The figures in the right-hand margin indicate marks

Answer **all** Groups as directed

Group—A

1. Answer *all* the questions, each within 1 word or 1 sentence : $1 \times 10 = 10$
 - (a) Intangible Statement.
 - (b) P/V Ratio.
 - (c) Acid test Ratio.
 - (d) Accrual concept.
 - (e) Cost-Benefit Principle.
 - (f) Trend Analysis.
 - (g) Operating Cycle.

(2)

- (h) Liquidity.
(i) Working Capital Gap.
(j) Inventory management.

Group—B

2. Answer any *four* questions each within
100 words : 5×4=20

- (a) Distinguish between Cash flow and
Funds flow statements.
- (b) Explain briefly two activity ratios.
- (c) Write a short note on maximum
permissible bank finance.
- (d) Write the factors which distort ratio
analysis.
- (e) What is Dupont Analysis?
- (f) Is depreciation a source of funds?
Explain.

(5)

If the targeted sales is Rs.100 lakhs,
Calculate:

- (i) Net Working capital
(ii) Current assets
(iii) Current liabilities
(iv) Inventory
(v) Receivables
(vi) Cash in hand.

(c) The following summarized Balance
Sheets are given to you of M/s Bharat
Ltd.

	31-03- 2018 (Rs.)	31-03- 2019 (Rs.)
Share capital	10,00,000	11,00,000
Reserves	3,50,000	3,00,000
Profit & Loss A/c	80,000	70,000
Loans @10%	6,00,000	8,00,000
Provision for Tax	2,10,000	2,40,000
Provision for Doubtful debts	30,000	20,000
Sundry creditors	3,10,000	2,90,000
Proposed dividend	1,00,000	1,20,000
	26,80,000	29,40,000

(4)

Liabilities	(Rs.)	Assets	(Rs.)
Equity capital	1,00,000	Fixed Assets	1,80,000
15% Preference shares	50,000	Stores	25,000
12% Debentures	50,000	Debtors	55,000
Retained Earnings	20,000	Bills Receivable	3,000
Creditors	45,000	Bank	2,000
Total	2,65,000	Total	2,65,000

Comment on the financial position of the Company i. e., Debt to Equity Ratio, Fixed Assets Ratio, Current Ratio, and Liquidity.

(b) A firm has developed the following standard for its Working Capital :

—Total net working capital is 20% of sales.

—Current ratio : 3

—Inventory turnover ratio : 8

—Receivables turnover ratio : 6

—Remaining cash in hand and in bank

(3)

Group—C

3. Answer any *four* questions each within 200 words : 10×4=40

(a) Explain the significance and importance of Funds Flow Statement.

(b) Explain the methods adopted to estimate working capital requirement.

(c) Why management of working capital is important in financial management? Explain.

(d) Elucidate the purpose of cash flow statement.

(e) What do you mean by financial ratios? Explain the types and their utilities.

(f) How do you calculate working capital Ratio? Explain its various components.

Group—D

4. Answer any *two* questions each within 300 words : 15×2=30

(a) The Balance Sheet of N & Co. as on 31-03-2019 shows as follows:

