



WEST BENGAL STATE UNIVERSITY
B.Com. Honours 6th Semester Examination, 2025

FACADSE07T-B.COM. (DSE3/4)

FINANCIAL STATEMENT ANALYSIS

Time Allotted: 2 Hours

Full Marks: 50

*The figures in the margin indicate full marks.
Candidates should answer in their own words and adhere to the word limit as practicable.*

GROUP-A

Answer any two questions from the following

10×2 = 20

1. The Balance Sheet of XY Ltd. as on 31st March, 2024 and 2025 are as under:

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Particulars	31.03.2024 (Rs.)	31.03.2025 (Rs.)
I. EQUITY AND LIABILITIES		
1. Shareholders' Fund:		
(a) Equity Share Capital	3,00,000	5,00,000
(b) 10% Redeemable Preference Share Capital	3,00,000	2,00,000
(c) Reserve & Surplus:		
General Reserve	40,000	60,000
Capital Reserve	—	50,000
Profit & Loss Balance	36,000	54,000
2. Non-Current Liabilities	—	—
3. Current Liabilities		
Trade Payable	88,000	1,30,000
Provision for Taxation	56,000	64,000
Proposed Dividend	54,000	66,000
TOTAL	8,74,000	11,24,000
II. ASSETS		
1. Non-Current Assets:		
(i) Fixed Assets:		
(a) Tangible:		
Land & Building	2,00,000	1,50,000
Plant & Machinery	1,80,000	3,82,000
(b) Intangible: Goodwill	1,20,000	94,000
(ii) Non-Current Investment	20,000	70,000
2. Current Assets:		
Inventory	1,70,000	1,56,000
Trade Receivables	1,50,000	2,16,000
Cash & Cash Equivalent	34,000	56,000
TOTAL	8,74,000	11,24,000

The following further particulars are given:

- (i) In 2024-25, depreciation of Rs. 36,000 has been written off from Plant & Machinery and no depreciation has been charged on Land & Building.
- (ii) A piece of land has been sold out and profit on such sale has been transferred to Capital Reserve.
- (iii) A plant was sold for Rs. 24,000 (W.D.V. Rs. 30,000).
- (iv) An interim dividend of Rs. 20,000 has been paid in 2024-25.

You are required to prepare:

- (a) Statement of Changes in Working Capital for the year ended 31st March, 2025; and
- (b) Fund Flow Statement.

2. Explain the merits and demerits of Common-Size Statements. 5+5
3. From the following information, prepare a summarized Balance Sheet of X Company as on 31.03.2025 assuming that the capital is composed of Equity Shares of Rs. 10 each. 10
 - (a) Liquid ratio 1.5
 - (b) Current Ratio 2.5
 - (c) Fixed Assets to Proprietorship Fund Ratio 0.75
 - (d) Working Capital Rs. 1,20,000
 - (e) Reserves & Surplus Rs. 60,000
 - (f) Bank Overdraft Rs. 20,000

GROUP-B

Answer any *two* questions from the following

15×2 = 30

4. What do you mean by Financial Statement Analysis? What are the major components of Financial Statement Analysis? Briefly explain the importance of Financial Statement Analysis. 2+6+7
5. Using Altman's Model compute the value of 'Z' score of Y Ltd and interpret the result. 15

Balance Sheet of Y Ltd. as on 31.3.2025

Liabilities	Rs.	Assets	Rs.
Share Capital (@ Rs. 10 each)	2,00,000	Fixed Assets	4,20,000
Reserves & Surplus	60,000	Inventory	1,80,000
10% Debentures	3,00,000	Sundry Debtors	70,000
Sundry Creditors	80,000	Loans and Advances	20,000
Outstanding Expenses	60,000	Cash at Bank	10,000
	7,00,000		7,00,000

Additional information:

- (i) Market value per share Rs. 12.50
- (ii) Operating profit (20% on sales) Rs. 1,40,000

6. From the following information, prepare a Cash Flow Statement for the year ended 31.03.2025:

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Balance Sheets as on 31.03.2024 and 31.03.2025

Particulars	Note No.	31.03.2024 (Rs.)	31.03.2025 (Rs.)
I. EQUITY AND LIABILITIES			
1. Shareholders' Funds			
(a) Share Capital—Equity Share Capital		10,00,000	11,00,000
(b) Reserves & Surplus	1.	2,80,000	3,70,000
2. Non-Current Liabilities			
(a) Long-term Borrowings---Debenture		5,00,000	3,00,000
3. Current Liabilities			
(a) Trade Payables	2.	70,000	70,000
(b) Short-term Provisions—Provisions for Income Tax		40,000	1,10,000
TOTAL		18,90,000	19,50,000
II. ASSETS			
1. Non-Current Assets			
(a) Fixed Assets			
(i) Tangible Assets	3.	10,20,000	14,60,000
(ii) Intangible Assets---Goodwill		50,000	40,000
(b) Current Assets			
(i) Inventories--- Stock		2,50,000	2,10,000
(ii) Trade Receivables--- Debtors	4.	2,70,000	2,16,000
(iii) Cash & Cash Equivalent--- Cash		3,00,000	24,000
TOTAL		18,90,000	19,50,000

Notes to Accounts:

Details	31.03.2024 (Rs.)	31.03.2025 (Rs.)
1. Reserves & Surplus		
(a) General Reserve	2,00,000	2,00,000
(b) Balance in Statement of Profit & Loss	80,000	1,70,000
	2,80,000	3,70,000
2. Trade Payables		
(a) Creditors	50,000	40,000
(b) Bills Payable	20,000	30,000
	70,000	70,000
3. Fixed Assets---Tangible Assets		
(a) Land	4,20,000	6,60,000
(b) Machinery	6,00,000	8,00,000
	10,20,000	14,60,000
4. Trade Receivables		
(a) Debtors	3,00,000	2,40,000
Less: Provision for Bad Debt	30,000	24,000
	2,70,000	2,16,000

Additional Information:

- (i) During the year, a part of machine costing Rs. 7,500 (accumulated depreciation Rs. 2,500) was sold for Rs. 3,000.
- (ii) Income tax paid during the year Rs. 20,000.
- (iii) Depreciation provided on machinery during the year was Rs. 50,000.

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