RISHI BANKIM CHANDRA EVENING COLLEGE, NAIHATI
MCOM EXAMINATION, 2022
Semester III
FINANCIAL STATEMENT ANALYSIS
PAPER CODE: COMPDSE02T (F2)

Duration: 2 Hours **Full Marks: 40**

The figures in the margin indicate full marks

Group - A

Answer any five questions: 5x2=10

1. State any two objectives of financial statement analysis.

2. What do you mean by Financial Distress?

3. If total assets of a firm are Rs 10,00,000 and its non-current assets are Rs. 6,00,000, what will be the percentage of current assets on total assets ?

4. Who are the internal users of financial statement?

5. What is meant by Cross Sectional Analysis?

6. Shareholders' funds ₹80,000; Total debts ₹1,60,000; Current liabilities ₹20,000. Calculate Total assets to debt ratio.

7. X Ltd. has a current ratio of 3.5:1 and quick ratio of 2:1. If excess of current assets over quick assets represented by stock is ₹ 1,50,000, calculate current assets and current liabilities.

8. What is Debt Service Coverage Ratio?

Group - B

Answer any four questions: 4x5=20

9. What is vertical analysis of financial statements?

10. Describe Du Pont Chart.

11. State the significance of analysis of financial statements to 'top management'.

12. What are the significances of Common Size Balance Sheet?

13. Discuss differences between univariate analysis vs. multivariate ratio analysis.

14. What are the significances of Comparative Balance Sheet?

Group – C

Answer any one from the following: 1 x 10 = 10

15. Following are the Income Statements of a company for the year ending 31st March, 2015 and 2016:

	2015 (₹ in '000)	2016 (₹ in '000)
Sales	4,000	6,000
Miscellaneous Income	300	450
Total	4,300	6,450
Expenses		
Cost of sales	2,900	4,600
Office expenses	100	250
Selling expenses	50	100
Interest	25	50
	3,525	5,000
Net Profit	775	1450
Total	4,300	6,450

Prepare a common-size Income Statement and comment on the financial performance of the company.

16. From the five accounting Ratios given below, calculate Z score in Case of X Ltd., using Atman's function and interpret the results.

Sales to Total Assets = 2 times

Market Value of Equity to Book Value of Debt = 150%

Working Capital to Total Assets = 20%

Retained Earnings to Total Assets = 25%

EBIT to Total Assets =10%