

Register No.: ..... Name: .....

**SAINTGITS COLLEGE OF ENGINEERING (AUTONOMOUS)**

(AFFILIATED TO APJ ABDUL KALAM TECHNOLOGICAL UNIVERSITY, THIRUVANANTHAPURAM)

**FOURTH SEMESTER MBA DEGREE EXAMINATION (Regular), JULY 2022****(2020 Scheme)****Course Code : 20MBA232****Course Name: Financial Information Analysis****Max. Marks : 60****Duration: 3 Hours****PART A***(Answer all questions. Each question carries 2 marks)*

1. State the difference between profits and cash flow.
2. What is a financial ratio? List the broad classification of ratio.
3. What is cash flow statement?
4. Explain forecasting Income Statement and Balance sheet.
5. Explain the concept cost of capital.

**PART B***(Answer any 3 questions. Each question carries 10 marks)*

6. Following is the balance sheet of JB Ltd. as on 31<sup>st</sup> March 2021 and 31<sup>st</sup> March 2022

Particulars	31 <sup>st</sup> March 2022	31 <sup>st</sup> March 2021
<b>Equity and Liabilities</b>		
<b>Shareholders' Funds</b>		
Share capital	20,00,000	15,00,000
Reserve and surplus	3,00,000	4,00,000
<b>Non-current liabilities</b>		
Long term borrowings	9,00,000	6,00,000
<b>Current Liabilities</b>		
Trade Payables	3,00,000	2,00,000
<b>Total</b>	<b><u>35,00,000</u></b>	<b><u>27,00,000</u></b>
<b>Assets</b>		
<b>Non-current assets</b>		
<b>Fixed assets</b>		
Tangible assets	20,00,000	15,00,000
Intangible assets	9,00,000	6,00,000
<b>Current Assets</b>		
Inventories	3,00,000	4,00,000
Cash and cash equivalents	3,00,000	2,00,000
<b>Total</b>	<b><u>35,00,000</u></b>	<b><u>27,00,000</u></b>

Prepare a comparative Balance Sheet for the above two years.

7. The following ratios are given for Syntax Company:

Net profit margin ratio 4 percent  
 Current ratio 1.25  
 Return on net worth 15.23%  
 Inventory turnover ratio (on sales) 25

Complete the following statement:

**Profit and Loss Account (Rs in crores)**

Sales	_____
Cost of Goods sold	_____
Operating expenses	700
Profit before interest and tax	_____
Interest	45
Profit before tax	_____
Tax Provision (50%)	_____
Profit after tax	101.4

**Balance Sheet (Rs in crores)**

Net worth	_____	Fixed Assets	_____
Long term debt (15% Interest)	_____	Current Assets	_____
		Cash	_____
		Receivables	60
Accounts Payable	144	Inventory	_____

8. Write the uses and significance of Cash flow statement.  
 9. Explain the method of forecasting Income Statement with an example.  
 10. Discuss the various steps for applying the Discounted Cash Flow method in Business Valuation.

**PART C**

*(Compulsory question, the question carries 20 marks)*

11. The financial statements of Focus Limited are given below:

Balance Sheet as on 31 March 2020 and 2021					
Liabilities	2020 (Amount in Rs)	2021 (Amount in Rs)	Assets	2020 (Amount in Rs)	2021 (Amount in Rs)
Equity share capital	6,75,000	6,75,000	Land & Building	2,00,000	2,00,000
General Reserve	4,00,000	4,15,000	Plant & Machinery	4,00,000	2,80,000
Profit & Loss a/c	1,34,000	1,52,000	Investments	75,000	90,000
Long Term loan	0	4,05,000	Inventories	2,60,000	2,15,000
Accounts payable	2,5,2000	2,01,000	Debtors	3,15,000	6,82,500
Provision for Tax	1,12,500	15,000	Bills receivables	1,00,000	1,00,000
			Cash at bank	2,00,000	2,10,000
			Cash in hand	23,500	85,500
	<b>15,73,500</b>	<b>18,63,000</b>		<b>15,73,500</b>	<b>18,63,000</b>

## Additional Information

1. The company has made a tax provision of Rs 13,500 during the year
2. A portion of plant & machinery with a written down value of Rs 15,000 was sold during the year for Rs 18000 and profit credited to profit & loss account
3. Investments costing Rs 12,000 were sold during the year for 12,750

Construct a cash flow statement from the above information.

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