



ADITYA DEGREE COLLEGES – ANDHRA PRADESH

1st Year I B.Com (BFSI) MID-I

Financial Analysis

Time:2 hrs.

Marks:60

SECTION-A

I. Answer any FIVE Questions:

5 x 4 = 20 M

1. Meaning of Financial Analysis.
2. Types of Financial statements.
3. Comparative statements.
4. Trend Analysis.
5. Meaning of Ratios.
6. Current Ratio.
7. Probability Ratio's.
8. Quick Ratio.

SECTION-B

II. Answer ALL Questions:

4 x 10 = 40 M

9 (a) What are the limitations of Financial statements.

(or)

(b) Prepare Comparative Income Statement for the following year and study the profitability of the company.

Particulars	2021 (Rs.000)	2022 (Rs.000)
Net sales	785	900
Cost of good sales	450	500
Operating Expenses:		
General, Administrative Expenses	70	72
Selling expenses	80	90
Non operating cost		
Interest paid	25	30
Income Tax	70	80

10. (a) What is a comparative financial statement?

(or)

(b) The balance sheet Hari Co and Vishnu Co. Compare the financial position of the companies by means of common size balance sheet.

Balance sheet as on 31st March, 2022

Liabilities	Hari	Vishnu	Assets	Hari	Vishnu
P.S. Capital	1,00,000	1, 50,000	Buildings	75,000	1,00,000
E.S.Capital	1,70,000	5,10,000	Machinery	2,25,000	4,00,000
Reserve fund	10,000	8,000	Furniture	5,000	23,000
P & L A/C	4,000	10, 000	Motor car	1,00,000	2,00,000
Debentures	1,00,000	1,00,000	Inventory	11,000	65,000
Bills payable	17,000	30,000	Debtors	5,000	10,000
S. Creditors	27,000	10,000	Cash at bank	26,150	1, 28, 500
Provision for taxes	20,000	1, 10,000	Cash in hand	850	1,200
	4, 48,000	9, 28,000		4,48,000	9, 28,000

11 (a) Describe the types of Financial Ratios.

(or)

(b) Explain the profitability Ratios.

12. (a) Explain the turn over ratios.

(or)

(b) Briefly Explain the solvency ratios.