

**NMIMS Global Access
School for Continuing Education (NGA-SCE)**

Course: Financial Accounting and Analysis

Internal Assignment Applicable for June 2016 Examination

Assignment Marks: 30

Instructions:

- All Questions carry equal marks.
 - All Questions are compulsory
 - All answers to be explained in not more than 1000 words for question 1 and 2 and for question 3 in not more than 500 words for each subsection. Use relevant examples, illustrations as far as possible.
 - All answers to be written individually. Discussion and group work is not advisable.
 - Students are free to refer to any books/reference material/website/internet for attempting their assignments, but are not allowed to copy the matter as it is from the source of reference.
 - Students should write the assignment in their own words. Copying of assignments from other students is not allowed.
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Q 1) Following information is available in respect of Hardin Demand Ltd. Prepare Cash flow statement As per AS-3 . **(10 Marks)**

Net profit for the year	550000
Depreciation	100000
Loss on sale of machinery	50000
Decrease in stock	60000
Increase in creditors	70000
Repayment of short term loan	100000
Purchase of building	500000
Sale of machinery	150000
Interest received	26000
Loan taken for five year period	845000
Interest paid	45000

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Q 2) Apra Limited is a retailer of plastic jugs. It has several retail stores across the nation. Each city has more than one retail store and has a central warehouse, from where the goods are delivered to each retail store of the city, as and when order is placed by the city's store on the city's central warehouse. Apra Limited seeks your advice on how to calculate the cost of inventories in different stores as on Balance sheet date. For one of the fast moving item, in the inventory, he provides with the following detail- **(10 Marks)**

Particulars	Rs
Average Administrative cost per unit	10
Average purchase price per unit	150
Average transportation cost per unit charged by the supplier	5
Average lease rent (of the retail store)per unit	8
Average transportation cost per unit charged by the local transporter for transporting the goods from the city's central warehouse	7
Average cost per unit to deliver the unit to the customer	2

Advise Apra Limited on what cost should be included in the "cost of the item" to be used as for the valuation of the stock held as on the balance sheet date.

Q 3) Suppose you are one of the investors interested in knowing the performance of P & G. Discuss,

- The ratios which will you study to analyse the financial position and performance of the company. **(5 Marks)**
- Suppose, if you don't perform the ratio analysis exercise what can be the consequences. **(5 Marks)**
