



M.Com. III Semester Degree Examination, April/May - 2024

COMMERCE

Financial Statement Analysis (OEC)

(NEP)

Time : 1 Hour

Maximum Marks : 30

SECTION - A

1. Answer all the following questions. Each question carries **one** mark. **5x1=5**
- (a) What is an income statement ?
 - (b) What is common size statement ?
 - (c) What is current ratio ?
 - (d) What is solvency ratio ?
 - (e) What is profitability ratio ?

SECTION - B

Answer **any five** questions. Each question carries **two** marks. **5x2=10**

- 2. What do you mean by financial statement analysis ? What are its purposes ?
- 3. List out the techniques of financial statement analysis.
- 4. What are the limitations of financial statement analysis ?
- 5. What is ratio analysis and what are the types of ratio analysis ?
- 6. List out the objectives of analysis of financial statements.
- 7. Calculate the debt equity ratio from the following information :
Total debts Rs. 3,00,000; Total assets Rs. 5,40,000; Current liabilities Rs. 70,000.
- 8. What are the disadvantages of ratio analysis ?



SECTION - C

Answer **any three** questions. Each question carries **five** marks.

3x5=15

9. Distinguish between comparative statement and common-size statement.
10. Discuss the importance of financial ratios.
11. Discuss the horizontal and vertical analysis of balance sheet.
12. Calculate gross profit ratio from the following information : Opening stock Rs. 50,000, closing stock Rs. 75,000, cash sales Rs. 1,00,000, credit sales Rs. 1,70,000, return outwards Rs. 15,000, purchases Rs. 2,90,000, advertisement expenses Rs. 30,000, carriage inwards Rs.10,000.
13. Prepare a comparative statement of profit and loss from the following :

Particulars	31st March 2022	31st March 2023
Revenue from operations	9,50,000	12,00,000
Cost of materials consumed	4,50,000	6,00,000
Other expenses	40,000	50,000

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