|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Accounting fundamentals**  **end term**  **Year 2020- 22**  **term 1**    **marks 40**  **time – 2 hours**  **Answer all questions**  **AF question set 2**  **1.P Commercial Vehicle Company LTD.**    **BaLANCE SHEET** | |  |  |  |  |  | |  |
| **Year** | | **2020** | **2019** | **2018** |  |  | |  |
| Equity Share Capital(Paid up) | | 293.55 | 293.55 | 292.71 |  |  | |  |
| Reserves and Surplus | | 6,947.25 | 8,031.75 | 6,952.83 |  |  | |  |
| **TOTAL RESERVES AND SURPLUS** | | **6,947.25** | **8,031.75** | **6,952.83** |  |  | |  |
| **TOTAL SHAREHOLDERS FUNDS** | | **7,263.99** | **8,332.43** | **7,245.54** |  |  | |  |
| **NON-CURRENT LIABILITIES** | |  |  |  |  |  | |  |
| Long Term Borrowings | | 1,353.86 | 298.40 | 512.55 |  |  | |  |
| Deferred Tax Liabilities [Net] | | 264.82 | 249.73 | 298.58 |  |  | |  |
| Other Long Term Liabilities | | 327.32 | 305.25 | 205.18 |  |  | |  |
| Long Term Provisions | | 180.69 | 249.63 | 255.04 |  |  | |  |
| **TOTAL NON-CURRENT LIABILITIES** | | **2,126.69** | **1,103.01** | **1,271.35** |  |  | |  |
| **CURRENT LIABILITIES** | |  |  |  |  |  | |  |
| Short Term Borrowings | | 1,710.97 | 100.00 | 100.00 |  |  | |  |
| Trade Payables | | 2,623.91 | 5,018.93 | 4,887.90 |  |  | |  |
| Other Current Liabilities | | 2,039.20 | 2,867.26 | 3,023.11 |  |  | |  |
| Short Term Provisions | | 624.85 | 802.77 | 808.49 |  |  | |  |
| **TOTAL CURRENT LIABILITIES** | | **6,998.93** | **8,788.96** | **8,819.50** |  |  | |  |
| **TOTAL CAPITAL AND LIABILITIES** | | **16,389.61** | **18,224.40** | **17,336.39** |  |  | |  |
| **ASSETS** | |  |  |  |  |  | |  |
| **NON-CURRENT ASSETS** | |  |  |  |  |  | |  |
| Tangible Assets | | 5,443.12 | 4,805.98 | 4,811.43 |  |  | |  |
| Intangible Assets | | 1,360.45 | 808.53 | 736.54 |  |  | |  |
| Capital Work-In-Progress | | 420.97 | 274.64 | 234.33 |  |  | |  |
| Other Assets | | 0.00 | 0.00 | 0.00 |  |  | |  |
| **FIXED ASSETS** | | **7,397.71** | **6,272.13** | **5,970.61** |  |  | |  |
| Non-Current Investments | | 2,719.63 | 2,636.50 | 2,451.51 |  |  | |  |
| Deferred Tax Assets [Net] | | 0.00 | 0.00 | 0.00 |  |  | |  |
| Long Term Loans And Advances | | 32.42 | 31.71 | 33.54 |  |  | |  |
| Other Non-Current Assets | | 816.36 | 1,097.72 | 817.26 |  |  | |  |
| **TOTAL NON-CURRENT ASSETS** | | **10,966.12** | **10,038.06** | **9,272.92** |  |  | |  |
| **CURRENT ASSETS** | |  |  |  |  |  | |  |
| Current Investments | | 0.00 | 0.00 | 3,155.16 |  |  | |  |
| Inventories | | 1,238.00 | 2,684.67 | 1,758.33 |  |  | |  |
| Trade Receivables | | 1,179.82 | 2,505.53 | 944.78 |  |  | |  |
| Cash And Cash Equivalents | | 1,322.47 | 1,373.59 | 1,042.16 |  |  | |  |
| Short Term Loans And Advances | | 23.00 | 22.46 | 24.10 |  |  | |  |
| Other Current Assets | | 1,660.20 | 1,600.09 | 1,138.94 |  |  | |  |
| **TOTAL CURRENT ASSETS** | | **5,423.49** | **8,186.34** | **8,063.47** |  |  | |  |
| **TOTAL ASSETS** | | **16,389.61** | **18,224.40** | **17,336.39** |  |  | |  |
|  | |  |  |  |  |  | |  |
|  |
| **Profit & Loss A/C**  **Year**  **REVENUE FROM OPERATIONS [NET]** | **2020**  **17,267.22** | **2019**  **28,614.03** | **2018**  **25,965.78** |  |  | |  | |
| Other Income | 123.34 | 109.94 | 196.58 |  |  | |  | |
| **TOTAL REVENUE** | **17,590.81** | **29,164.89** | **26,552.98** |  |  | |  | |
| **EXPENSES** |  |  |  |  |  | |  | |
| Cost Of Materials Consumed | 10,384.46 | 20,872.27 | 16,496.62 |  |  | |  | |
| Changes In Inventories Of FG,WIP And Stock-In Trade | 1,191.47 | -958.80 | 1,275.10 |  |  | |  | |
| Employee Benefit Expenses | 1,615.06 | 2,098.77 | 1,837.78 |  |  | |  | |
| Finance Costs | 109.45 | 70.38 | 147.28 |  |  | |  | |
| Depreciation And Amortisation Expenses | 669.80 | 621.01 | 598.48 |  |  | |  | |
| Other Expenses | 2,309.61 | 3,140.87 | 3,124.02 |  |  | |  | |
| **TOTAL EXPENSES** | **17,073.07** | **26,610.60** | **24,138.64** |  |  | |  | |
| **PROFIT/LOSS BEFORE EXCEPTIONAL, EXTRAORDINARY ITEMS AND TAX** | **517.74** | **2,554.29** | **2,414.34** |  |  | |  | |
| Exceptional Items | -155.82 | -57.49 | -28.51 |  |  | |  | |
| **PROFIT/LOSS BEFORE TAX** | **361.92** | **2,496.80** | **2,385.83** |  |  | |  | |

**Total Tax Expenses 122.40 513.60 668.10**

The above is the balance sheet and profit and loss account of a commercial vehicle manufacturing Ltd for 3 years. The Company is exclusively engaged in commercial vehicle manufacturing sector. The shares of the company are listed in stock exchange.

From the figures given above calculate following for all the years in a table form :

1) EAT or PAT

2) EBIT

2A) EBIDTA or PBIDTA

3) Return on capital employed

4) Margin

5) Capital turnover ratio.

6) Fixed assets turnover ratio

7) Inventory and debtors turnover ratio

8) Cash turnover ratio

9) Debt to total assets ratio

10)Analyse the results.

11) The company’s revenue from operation has declined by about 40% in 2020 compared to that of 2019 whereas its PBT ( profit before tax) has decreased by 85%. Explain in a few words why drop in PBT is so high as compared to drop in revenue.

12) How the company will serve the increasing debt with low profit? Do you think that the company may go bankrupt immediately ? Explain in a few words.

Show your workings clearly.

2) a)P/L A/c of X Ltd. for the year ended 31.03.2020

|  |  |
| --- | --- |
| **Particulars** | **Rs** |
| Revenue | 75,800 |
| Gain on sale of investment | 1200 |
| Dividend | 1300 |
| A.Total Income | 78300 |
| Less: Expenses |  |
| a) Production, Admn. And distribution expenses | 54400 |
| b) Depreciation | 6700 |
| B. Total Expenses | 61100 |
| PBT | 17200 |
| Tax provision | 8300 |
| PAT | 8900 |

Relevant Balance sheet accounts at the end of 2019 and 2020 are given below:

|  |  |  |
| --- | --- | --- |
| **Balances** | **2020** | **2019** |
| Inventories | Rs 9300 | Rs.7900 |
| Debtors | 6600 | 5300 |
| Prepaid Expenses | 1100 | 800 |
| Creditors | 12600 | 19300 |
| Tax payable | 2100 | 2800 |

Prepare Net Cash flow from Operating Activities only.

Marks 10