**Financial Statement Analysis**

**1. Raj Ltd arrived at a net profit of Rs 100000 for the year ended 31st March 2022. Depreciation for the year is Rs 10000, Loss on sale of Asset is Rs 20000, Interest paid on loan is Rs10000, Gain on sale of assets is Rs 20000. The tax is 20%. Calculate cash flow from operating activity using the indirect method.**

**Additional information:**

|  |  |  |
| --- | --- | --- |
| **Particulars** | **31St Mar 21** | **31stMar 22** |
| **Creditors** | **50000** | **40000** |
| **Debtors** | **40000** | **30000** |
| **Inventory** | **25000** | **35000** |
| **Bills Receivables** | **30000** | **50000** |
| **Bills Payable** | **25000** | **40000** |

# Ans 1.

# Introduction

Cash flow is generally a measurement of the company's cash inflows and discharges. The cash flow statement informs us of details regarding the cash flow produced by the organization. There are a number of different sections of cash flow in the cash flow statement. Some of them are as complies with:

1. Operating cash flow

2. Cash flow from investment activities

3. Cash flow from financing activities

In this question, we will speak about operating cash flow. This is primarily a measurement of the cash produced with the help of the organization's operations. This section of the cash flow is

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**2. From the following data relating to assets of the Balance sheet of Max Ltd for the period ended 31st March, 20 to 31st March, 22. Calculate the Trend percentage & interpret it. (10 Marks)**

**( Rs in Lakhs)**

|  |  |  |  |
| --- | --- | --- | --- |
| **Particulars** | **31st Mar,20** | **31st Mar,21** | **31st Mar,22** |
| **Debtors** | **20** | **30** | **20** |
| **Cash** | **30** | **20** | **15** |
| **Stock** | **60** | **80** | **70** |
| **Investment** | **80** | **80** | **90** |
| **Machine** | **100** | **200** | **100** |
| **Building** | **150** | **250** | **250** |
| **Furniture** | **200** | **300** | **500** |

# Ans 2.

# Introduction

Among the most crucial final accounts that stakeholders of every organization search for are the company's balance sheet. The balance sheet is just one of the essential financial accounts of the organization that aids the company assess the net worth and well-worth. The organization's balance sheet helps the stakeholders of the organization learn about many different things, such as the company's existing capital structure which assists in the recognition treatment of the money sources of the organization. Besides this, with the assistance of the balance sheet, the company and its stakeholder can learn about the liquidity and gearing conditions of the company efficiently. Apart from this, several different financial proportions are computed with the help of

**3. Following is the Balance sheet of Jagdish Enterprise for the year ended 31st March 2022**

|  |  |  |  |
| --- | --- | --- | --- |
| **Liabilities** | **Rs** | **Assets** | **Rs** |
| **Equity share capital** | **400000** | **Plant& Machinery** | **500000** |
| **General Reserve** | **200000** | **Land & Building** | **250000** |
| **8% Debentures** | **200000** | **Furniture** | **50000** |
| **Creditors** | **100000** | **Stock** | **10000** |
| **Bank Overdraft** | **50000** | **Debtors** | **100000** |
|  |  | **Cash in hand** | **40000** |
| **Total** | **950000** | **Total** | **950000** |

**a. Calculate Current Ratio & Quick ratio & interpret on it (5 Marks)**

**An 3a.**

**Introduction**

There are various sorts of financial metrics and ratios that can be determined to examine and assess the financial position of an organization. One group of such economic metrics and ratios is liquidity ratios. These ratios assess the capacity of the organization to pay back its temporary debts with the aid of the current temporary assets of the organization. There are several sorts of

**b. Calculate Debt Equity Ratio & Proprietary ratio & interpret on it (5 Marks) -**

# Ans 3b

# Introduction

An extensive range of kind of monetary metrics and ratios can be identified to study and break down the monetary location of a company. One classification of such monetary metrics and ratios. In previous sections, we discussed the liquidity ratios, and in this section, we are mosting