



Assignment Questions (Session 2024-25)

Class XII Commerce

Subject: Accountancy (055)

Ch.3 Tools of Financial Statement Analysis

Multiple Choice Questions:

Question 1. This item is not used as a tool for Analysis of Financial Statements:

- (A) Cash Flow Statement (B) Fund Flow Statement
 (C) Ratio Analysis (D) No. of Employees Statement

Question 2. If net revenue from operations of a firm are ₹15,00,000; Gross Profit is ₹9,00,000 and operating expenses are ₹75,000, what will be percentage of operating income on net revenue from operations?

- (A) 45% (B) 55% (C) 35% (D) 65%

Question 3. Which one of the following items is not a method/tool of analysis of financial statements?

- (A) Fund Flow Statement (B) Common Size Statement
 (C) Statement of Trade Receivables (D) Cash Flow Statement

Question 4. Main objective of Common Size Statment of Profit & Loss is :

- (A) To present changes in assets and liabilities (B) To judge the financial soundness
 (C) To establish relationship between revenue from operations and other items of statement of Profit & Loss
 (D) All of the Above

Other Questions:

Question 5. Following are the balance sheets of Reddy Limited as on 31 March, 2011 and 2012.

Liabilities	2011 (₹)	2012 (₹)	Assets	2011 (₹)	2012 (₹)
Share Capital	2,400	3,600	Land and Buildings	1,620	1,040
Reserves and Surplus	1,872	2,124	Plant and Machinery	1,860	4,716
Debentures	300	600	Furniture and Fixtures	54	108
Long Term Debt	900	1,530	Other Fixed Assets	120	180
Bills Payable	1,530	702	Long Term Loans	276	354
Other Current Liabilities	42	60	Cash and Bank Balances	708	60
			Bill Receivable	1,254	1,120
			Stock	960	780
			Prepaid Expenses	18	18
			Other Current Assets	174	240
	7,044	8,616		7,044	8,616

Analyse the financial position of the company with the help of the Common Size Balance Sheet.

Question 6. The following are the Balance Sheets of Mohan Ltd., at the end of 2011 and 2012.

₹'000

Liabilities	2011	2012	Assets	2011	2012
Equity Share Capital	400	600	Land and Buildings	270	170
Reserves and Surplus	312	354	Plant and Machinery	310	786
Debentures	50	100	Furniture and Fixtures	9	18
Long Term Loans	150	255	Other Fixed Assets	20	30
Accounts Payable	255	117	Loans and Advances	46	59
Other Current Liabilities	7	10	Cash and Bank	118	10
			Account Receivable	209	190
			Inventory	160	130
			Prepaid Expenses	3	3
			Other Current Assets	29	40
	1,174	1,436		1,174	1,436

Prepare a Comparative Balance Sheet and study the financial position of the company

Question 7. Prepare comparative Income statements and Common Size Income Statements also from the following.

Particulars	31-3-2011	31-3-2012
Revenue from Operations	10,00,000	15,00,000
Expenses	6,00,000	10,50,000
Other Income	2,00,000	1,80,000
Income Tax	50%	50%

Question 8. What is meant by a common size statements?

Question 9. Name any two tools of analysis of financial statements.

Question 10. Which item is assumed to be 100 while preparing common size statement of profit and loss?

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