

QB365 - Question Bank Software

Common Size and Comparative Statements

Format of Statement of Profit and Loss

| | | |
|--------------------------|------------|------------|
| Revenue from operations | | xxx |
| Other Incomes | <u>xxx</u> | |
| Total Revenue | <u>xxx</u> | |
| Expenses: | | |
| Cost of material | | xxx |
| Employee benefit expense | | <u>xxx</u> |
| Total Expenses | | <u>xxx</u> |
| Profit before tax | | xxx |
| Tax expense | | <u>xxx</u> |
| Profit after tax | | <u>xxx</u> |

From the following information prepare a comparative income Statement of victor Ltd.

| | 2006 | 2007 |
|-------------------------|---------------------|---------------------|
| Revenue from Operations | 15,00,000 | 18,00,000 |
| Cost of Goods Sold | 11,00,000 | 14,00,000 |
| Indirect Expenses | 20% of Gross Profit | 25% of Gross Profit |
| Income Tax | 50% | 50% |

(C.B.S.E. 2008, Outside Delhi)

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Solution 1. Comparative Income Statement For the year 2006 and 2007

| Particulars | 2006 | 2007 | Absolute Change | %Change |
|--------------------------|-----------|-----------|-----------------|---------|
| Revenue from Operations | 15,00,000 | 18,00,000 | 3,00,000 | +20% |
| Less: Cost of Goods Sold | 11,00,000 | 14,00,000 | 3,00,000 | +27.27% |
| Gross Profit | 4,00,000 | 4,00,000 | | |

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| | | | | |
|-------------------------|----------|----------|---------|--------|
| Less: Indirect Expenses | 80,000 | 1,00,000 | 20,000 | +25% |
| Net Profit before tax | 3,20,000 | 3,00,000 | -20,000 | -6.25% |
| Less: Income Tax | 1,60,000 | 1,50,000 | -10,000 | -6.25% |
| Net Profit After Tax | 1,60,000 | 1,50,000 | -10,000 | -6.25% |

Prepare a Comparative Income Statement of Ahmed Ltd., with the help of the following information:

| | 31.3.2000 | 31.3.2001 |
|-------------------------|-----------|-----------|
| Revenue from Operations | 5,00,000 | 8,00,000 |
| Cost of Goods Sold | 3,00,000 | 5,00,000 |
| Direct Expenses | 40,000 | 20,000 |
| Indirect Expenses | 30,000 | 40,000 |
| Income Tax | 40% | 50% |

(C.B.S.E. 2002)

Solution 2.

Comparative Income Statement

| Particular | 31.3.2000 | 31.3.2001 | Absolute Change | %Change |
|--------------------------|-----------|-----------|--------------------|---------|
| Revenue from Operations | 5,00,000 | 8,00,000 | 3,00,000 | 60.00 |
| Less: Cost of Goods Sold | 3,00,000 | 5,00,000 | 2,00,000 | 66.67 |
| Gross Profit | 2,00,000 | 3,00,000 | 1,00,000 | 50.00 |
| Less: Indirect Expenses | 30,000 | 40,000 | 10,000 | 33.33 |
| Net profit before Tax | 1,70,000 | 2,60,000 | 90,000 | 52.94 |
| Less: Income Tax | 68,000 | 1,30,000 | 62,000 | 91.18 |
| Net Profit after Tax | 1,02,000 | 1,30,000 | 28,000 | 27.45 |

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Hint: Direct expenses are ignored since they are already included in the cost of goods sold. Prepare a Comparative Income Statement from the following information

Question--

| Particulars | 31.3.2009 | 31.3.2010 |
|--------------------------|---------------------|---------------------|
| Revenues from Operations | 30,00,0000 | 40,00,000 |
| Cost of Goods Sold | 60% of Sales | 55% of Sales |
| Paid wages | 25,000 | 30,000 |
| Operating Expenses | 20% of Gross Profit | 25% of Gross Profit |
| Income Tax | 40% | 40% |

(C.B.S.E. 20011, Set II)

Solution 3.

Comparative Income Statement

for the years ended on 31st March 2009 and 2010

| Particular | 31.3.2009 | 31.3.2010 | Absolute Change | %Increase or Decrease |
|--------------------------|-----------|-----------|--------------------|-----------------------------|
| Revenue from Operations | 30,00,000 | 40,00,000 | 10,00,000 | 33.33 |
| Less: Cost of Goods Sold | 18,00,000 | 22,00,000 | 4,00,000 | 22.22 |
| Gross Profit | 12,00,000 | 18,00,000 | 6,00,000 | 50.00 |
| Less: Operating Expenses | 2,40,000 | 4,50,000 | 2,10,000 | 87.50 |
| Net Profit before Tax | 9,60,000 | 13,50,000 | 3,90,000 | 40.63 |
| Less: Income Tax @ 40% | 3,84,000 | 5,40,000 | 1,56,000 | 40.63 |
| Net Profit after tax | 5,76,000 | 8,10,000 | 2,34,000 | 40.63 |

Note: Wages is a direct expense. It is ignored because it is already included in the cost of goods sold.

- From the following details make out a comparative and common size statements:

| <i>Particulars</i> | <i>2011 `</i> | <i>2012 `</i> |
|-------------------------|---------------|---------------|
| Revenue from operations | 16,00,000 | 20,00,000 |
| Cost of Goods Sold | 8,00,000 | 10,00,000 |

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| | | |
|-------------------|----------|----------|
| Indirect Expenses | 2,00,000 | 1,00,000 |
| Tax rate 40% | | |

Solution:

Comparative Income Statement

| <i>Particulars</i> | 2011 ` | 2012 ` | Absolute Change | % Change |
|--------------------------|-----------|-----------|--------------------|-------------|
| Revenue from operations | 16,00,000 | 20,00,000 | 4,00,000 | 25 |
| Less: Cost of Goods Sold | 8,00,000 | 10,00,000 | 2,00,000 | 25 |
| Gross Profit | 8,00,000 | 10,00,000 | 2,00,000 | 25 |
| Less: Indirect Expenses | 2,00,000 | 1,00,000 | (1,00,000) | (50) |
| Net Profit before Tax | 6,00,000 | 9,00,000 | 3,00,000 | 50 |
| Less: Income Tax | 2,40,000 | 3,60,000 | 1,20,000 | 50 |
| Net Profit after Tax | 3,60,000 | 5,40,000 | 1,80,000 | 50 |

Common Size Income Statement

| <i>Particulars</i> | 2011 ` | 2012 ` | Common Size | |
|--------------------------|-----------|-----------|-------------|--------|
| | | | 2011 ` | 2012 ` |
| Revenue from operations | 16,00,000 | 20,00,000 | 100 | 100 |
| Less: Cost of Goods Sold | 8,00,000 | 10,00,000 | 50 | 50 |
| Gross Profit | 8,00,000 | 10,00,000 | 50 | 50 |
| Less: Indirect Expenses | 2,00,000 | 1,00,000 | 12.5 | 5 |
| Net Profit before Tax | 6,00,000 | 9,00,000 | 37.5 | 45 |
| Less: Income Tax | 2,40,000 | 3,60,000 | 15 | 18 |
| Net Profit after Tax | 3,60,000 | 5,40,000 | 22.5 | 27 |

2. Prepare a comparative and common size income statement with the help of the following information:

| <i>Particulars</i> | 2011 ` | 2012 ` |
|--------------------------|----------|-----------|
| Revenue from operations | 8,00,000 | 10,00,000 |
| Cost of material | 4,00,000 | 6,00,000 |
| Employee benefit expense | 1,50,000 | 2,00,000 |
| Provision for Tax | 1,00,000 | 1,30,000 |

Solution:

Comparative Income Statement

| <i>Particulars</i> | 2011 ` | 2012 ` | Absolute Change | % Change |
|---------------------------------|----------|-----------|--------------------|-------------|
| Revenue from operations | 8,00,000 | 10,00,000 | 2,00,000 | 25 |
| Less: Cost of material | 4,00,000 | 6,00,000 | 2,00,000 | 50 |
| Gross Profit | 4,00,000 | 4,00,000 | 0 | 0 |
| Less: Employee benefit expenses | 1,50,000 | 2,00,000 | 50,000 | 33.33 |
| Net Profit before Tax | 2,50,000 | 2,00,000 | (50,000) | (20) |
| Less: Provision for Tax | 1,00,000 | 1,30,000 | 30,000 | 30 |
| Net Profit after Tax | 1,50,000 | 70,000 | (80,000) | (53.33) |

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Common Size Income Statement

| <i>Particulars</i> | 2011 ` | 2012 ` | Common Size | |
|---------------------------------|----------|-----------|-------------|--------|
| | | | 2011 ` | 2012 ` |
| Revenue from operations | 8,00,000 | 10,00,000 | 100 | 100 |
| Less: Cost of material | 4,00,000 | 6,00,000 | 50 | 60 |
| Gross Profit | 4,00,000 | 4,00,000 | 50 | 40 |
| Less: Employee benefit expenses | 1,50,000 | 2,00,000 | 18.75 | 20 |
| Net Profit before Tax | 2,50,000 | 2,00,000 | 31.25 | 20 |
| Less: Provision for Tax | 1,00,000 | 1,30,000 | 12.5 | 13 |
| Net Profit after Tax | 1,50,000 | 70,000 | 18.75 | 7 |

3. From the following information, prepare a comparative and common size income statement:

| | | |
|--------------------------|-----------|-----------|
| <i>Particulars</i> | 2011 ` | 2012 ` |
| Revenue from Operations | 13,20,000 | 18,00,000 |
| Other Incomes | 1,50,000 | 2,00,000 |
| Cost of material | 7,00,000 | 11,00,000 |
| Employee benefit expense | 2,50,000 | 3,50,000 |
| Tax | 50% | 50% |

Solution:

Comparative Income Statement

| <i>Particulars</i> | 2011 ` | 2012 ` | Absolute Change | % Change |
|---------------------------------|-----------|-----------|-----------------|----------|
| Revenue from operations | 13,20,000 | 18,00,000 | 4,80,000 | 36.36 |
| Less: Cost of material | 7,00,000 | 11,00,000 | 4,00,000 | 57.14 |
| Gross Profit | 6,20,000 | 7,00,000 | 80,000 | 12.90 |
| Less: Employee benefit expenses | 2,50,000 | 3,50,000 | 1,00,000 | 40 |
| Add: Other Incomes | 1,50,000 | 2,00,000 | 50,000 | 33.33 |
| Net Profit before Tax | 1,00,000 | 1,50,000 | 50,000 | 50 |
| Less: Provision for Tax | 50,000 | 75,000 | 25,000 | 50 |
| Net Profit after Tax | 50,000 | 75,000 | 25,000 | 50 |

Common Size Income Statement

| <i>Particulars</i> | 2011 ` | 2012 ` | Common Size | |
|---------------------------------|-----------|-----------|-------------|--------|
| | | | 2011 ` | 2012 ` |
| Revenue from operations | 13,20,000 | 18,00,000 | 100 | 100 |
| Less: Cost of material | 7,00,000 | 11,00,000 | 53.03 | 61.11 |
| Gross Profit | 6,20,000 | 7,00,000 | 46.97 | 38.89 |
| Less: Employee benefit expenses | 2,50,000 | 3,50,000 | 18.94 | 19.44 |
| Add: Other Incomes | 1,50,000 | 2,00,000 | 11.36 | 11.11 |
| Net Profit before Tax | 1,00,000 | 1,50,000 | 7.58 | 8.33 |
| Less: Provision for Tax | 50,000 | 75,000 | 3.79 | 4.17 |
| Net Profit after Tax | 50,000 | 75,000 | 3.79 | 4.16 |

4. Prepare a horizontal and vertical income statement of 'S Ltd', with the help of the following information:

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| <i>Particulars</i> | <i>2011</i> | <i>2012</i> |
|---------------------------------------|--------------------------|-------------|
| Revenue from operations | 1,00,000 | 2,00,000 |
| Cost of material (of revenue) | 60% | 70% |
| Employee benefit expense (of revenue) | 20% | 25% |
| Rate of income tax | 50% of profit before tax | |

Solution:

Comparative Income Statement

| <i>Particulars</i> | <i>2011 `</i> | <i>2012 `</i> | <i>Absolute Change</i> | <i>% Change</i> |
|---------------------------------|---------------|---------------|----------------------------|---------------------|
| Revenue from operations | 1,00,000 | 2,00,000 | 1,00,000 | 50 |
| Less: Cost of material | 60,000 | 1,40,000 | 80,000 | 133.33 |
| Gross Profit | 40,000 | 60,000 | 20,000 | 50 |
| Less: Employee benefit expenses | 20,000 | 50,000 | 30,000 | 150 |
| Net Profit before Tax | 20,000 | 10,000 | (10,000) | (50) |
| Less: Provision for Tax | 10,000 | 5,000 | (5,000) | (50) |
| Net Profit after Tax | 10,000 | 5,000 | (5,000) | (50) |

Common Size Income Statement

| <i>Particulars</i> | <i>2011 `</i> | <i>2012 `</i> | <i>Common Size</i> | |
|---------------------------------|---------------|---------------|--------------------|---------------|
| | | | <i>2011 `</i> | <i>2012 `</i> |
| Revenue from operations | 1,00,000 | 2,00,000 | 100 | 100 |
| Less: Cost of material | 60,000 | 1,40,000 | 60 | 70 |
| Gross Profit | 40,000 | 60,000 | 40 | 30 |
| Less: Employee benefit expenses | 20,000 | 50,000 | 20 | 25 |
| Net Profit before Tax | 20,000 | 10,000 | 20 | 5 |
| Less: Provision for Tax | 10,000 | 5,000 | 10 | 2.5 |
| Net Profit after Tax | 10,000 | 5,000 | 10 | 2.5 |

5. Prepare comparative and common size income statement with the help of the following information:

| <i>Particulars</i> | <i>2012</i> | <i>2011</i> |
|--|-------------|-------------|
| Revenue from operations | 3,00,000 | 2,00,000 |
| Cost of material (of revenue) | 70% | 60% |
| Employee benefit expense (of revenue) | 20% | 30% |
| Income Tax Rate (of profit before tax) | 50% | 50% |

Solution:

Comparative Income Statement

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| <i>Particulars</i> | 2011 ` | 2012 ` | Absolute Change | % Change |
|---------------------------------|----------|----------|--------------------|-------------|
| Revenue from operations | 2,00,000 | 3,00,000 | 1,00,000 | 50 |
| Less: Cost of material | 1,20,000 | 2,10,000 | 90,000 | 75 |
| Gross Profit | 80,000 | 90,000 | 10,000 | 12.5 |
| Less: Employee benefit expenses | 60,000 | 60,000 | 0 | 0 |
| Net Profit before Tax | 20,000 | 30,000 | 10,000 | 50 |
| Less: Provision for Tax | 10,000 | 15,000 | 5,000 | 50 |
| Net Profit after Tax | 10,000 | 15,000 | 5,000 | 50 |

Common Size Income Statement

| <i>Particulars</i> | 2011 ` | 2012 ` | Common Size | |
|---------------------------------|----------|----------|-------------|--------|
| | | | 2011 ` | 2012 ` |
| Revenue from operations | 2,00,000 | 3,00,000 | 100 | 100 |
| Less: Cost of material | 1,20,000 | 2,10,000 | 60 | 70 |
| Gross Profit | 80,000 | 90,000 | 40 | 30 |
| Less: Employee benefit expenses | 60,000 | 60,000 | 30 | 20 |
| Net Profit before Tax | 20,000 | 30,000 | 10 | 10 |
| Less: Provision for Tax | 10,000 | 15,000 | 5 | 5 |
| Net Profit after Tax | 10,000 | 15,000 | 5 | 5 |

6. Prepare comparative and common size income statement with the help of the following information:

| <i>Particulars</i> | 2012 | 2011 |
|--|----------|----------|
| Revenue from operations | 5,00,000 | 4,00,000 |
| Cost of material (of revenue) | 60% | 55% |
| Employee benefit expense (of revenue) | 20% | 25% |
| Income Tax Rate (of profit before tax) | 50% | 50% |

Solution:

Comparative Income Statement

| <i>Particulars</i> | 2011 ` | 2012 ` | Absolute Change | % Change |
|---------------------------------|----------|----------|--------------------|-------------|
| Revenue from operations | 4,00,000 | 5,00,000 | 1,00,000 | 25 |
| Less: Cost of material | 2,20,000 | 3,00,000 | 90,000 | 40.91 |
| Gross Profit | 1,80,000 | 2,00,000 | 20,000 | 11.11 |
| Less: Employee benefit expenses | 1,00,000 | 1,00,000 | 0 | 0 |

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| | | | | |
|-------------------------|--------|----------|--------|----|
| Net Profit before Tax | 80,000 | 1,00,000 | 20,000 | 25 |
| Less: Provision for Tax | 40,000 | 50,000 | 10,000 | 25 |
| Net Profit after Tax | 40,000 | 50,000 | 10,000 | 25 |

Common Size Income Statement

| Particulars | 2011 ` | 2012 ` | Common Size | |
|---------------------------------|----------|----------|-------------|--------|
| | | | 2011 ` | 2012 ` |
| Revenue from operations | 4,00,000 | 5,00,000 | 100 | 100 |
| Less: Cost of material | 2,20,000 | 3,00,000 | 55 | 60 |
| Gross Profit | 1,80,000 | 2,00,000 | 45 | 40 |
| Less: Employee benefit expenses | 1,00,000 | 1,00,000 | 25 | 20 |
| Net Profit before Tax | 80,000 | 1,00,000 | 20 | 20 |
| Less: Provision for Tax | 40,000 | 50,000 | 10 | 10 |
| Net Profit after Tax | 40,000 | 50,000 | 10 | 10 |

7. From the following balance sheets, prepare comparative and common size balance sheet of D Ltd.:

| Particulars | Note No. | 2010-11 ` | 2011-12 ` |
|--------------------------------------|----------|------------------|------------------|
| <u>Equity and Liabilities</u> | | | |
| (1) Shareholders Fund | | | |
| (a) Share Capital | | 15,00,000 | 20,00,000 |
| (b) Reserves & Surplus | | 4,00,000 | 3,00,000 |
| (2) Non Current Liabilities | | | |
| Long Term Borrowings | | 6,00,000 | 9,00,000 |
| (3) Current Liabilities | | | |
| Trade Payables | | 2,00,000 | 3,00,000 |
| Total | | 27,00,000 | 35,00,000 |
| <u>Assets</u> | | | |
| (1) Non Current Assets | | | |
| (a) Fixed Assets | | | |
| (i) Tangible Assets | | 15,00,000 | 20,00,000 |
| (ii) Intangible Assets | | 6,00,000 | 9,00,000 |
| (2) Current Assets | | | |
| (a) Inventories | | 4,00,000 | 3,00,000 |
| (b) Cash and Cash equivalents | | 2,00,000 | 3,00,000 |
| Total | | 27,00,000 | 35,00,000 |

Solution:

Comparative Balance Sheet

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| <i>Particulars</i> | <i>2011 `</i> | <i>2012 `</i> | <i>Absolute Change</i> | <i>% Change</i> |
|-------------------------------|---------------|---------------|------------------------|-----------------|
| Equity and Liabilities | | | | |
| (1) Shareholders Fund | | | | |
| (a) Share Capital | 15,00,000 | 20,00,000 | 5,00,000 | 33.33 |
| (b) Reserves & Surplus | 4,00,000 | 3,00,000 | (1,00,000) | (25) |
| (2) Non Current Liabilities | | | | |
| Long Term Borrowings | 6,00,000 | 9,00,000 | 3,00,000 | 50 |
| (3) Current Liabilities | | | | |
| Trade Payables | 2,00,000 | 3,00,000 | 1,00,000 | 50 |
| Total | 27,00,000 | 35,00,000 | 8,00,000 | 29.63 |
| Assets | | | | |
| (1) Non Current Assets | | | | |
| (a) Fixed Assets | | | | |
| (i) Tangible Assets | 15,00,000 | 20,00,000 | 5,00,000 | 33.33 |
| (ii) Intangible Assets | 6,00,000 | 9,00,000 | 3,00,000 | 50 |
| (2) Current Assets | | | | |
| (a) Inventories | 4,00,000 | 3,00,000 | (1,00,000) | (25) |
| (b) Cash and Cash equivalents | 2,00,000 | 3,00,000 | 1,00,000 | 50 |
| Total | 27,00,000 | 35,00,000 | 8,00,000 | 29.63 |

Common Size Balance Sheet

| <i>Particulars</i> | <i>2011 `</i> | <i>2012 `</i> | <i>Common Size</i> | |
|-------------------------------|---------------|---------------|--------------------|---------------|
| | | | <i>2011</i> | <i>2012 `</i> |
| Equity and Liabilities | | | | |
| (1) Shareholders Fund | | | | |
| (a) Share Capital | 15,00,000 | 20,00,000 | 55.56 | 57.14 |
| (b) Reserves & Surplus | 4,00,000 | 3,00,000 | 14.81 | 8.57 |
| (2) Non Current Liabilities | | | | |
| Long Term Borrowings | 6,00,000 | 9,00,000 | 22.22 | 25.71 |
| (3) Current Liabilities | | | | |
| Trade Payables | 2,00,000 | 3,00,000 | 7.41 | 8.58 |
| Total | 27,00,000 | 35,00,000 | 100 | 100 |
| Assets | | | | |
| (1) Non Current Assets | | | | |
| (a) Fixed Assets | | | | |
| (i) Tangible Assets | 15,00,000 | 20,00,000 | 55.56 | 57.14 |
| (ii) Intangible Assets | 6,00,000 | 9,00,000 | 22.22 | 25.71 |
| (2) Current Assets | | | | |
| (a) Inventories | 4,00,000 | 3,00,000 | 14.81 | 8.57 |
| (b) Cash and Cash equivalents | 2,00,000 | 3,00,000 | 7.41 | 8.58 |
| Total | 27,00,000 | 35,00,000 | 100 | 100 |

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8. From the following balance sheets, prepare comparative and common size balance sheet of D Ltd.:

| Particulars | Note No. | 2010-11 ` | 2011-12 ` |
|-------------------------------|----------|------------------|------------------|
| Equity and Liabilities | | | |
| (1) Shareholders Fund | | | |
| (a) Share Capital | | 30,00,000 | 40,00,000 |
| (b) Reserves & Surplus | | 4,00,000 | 6,00,000 |
| (2) Non Current Liabilities | | | |
| Long Term Borrowings | | 10,00,000 | 12,00,000 |
| (3) Current Liabilities | | | |
| Trade Payables | | 6,00,000 | 2,00,000 |
| Total | | 50,00,000 | 60,00,000 |
| Assets | | | |
| (1) Non Current Assets | | | |
| (a) Fixed Assets | | | |
| (i) Tangible Assets | | 30,00,000 | 40,00,000 |
| (ii) Intangible Assets | | 6,00,000 | 2,00,000 |
| (2) Current Assets | | | |
| (a) Inventories | | 10,00,000 | 12,00,000 |
| (b) Cash and Cash equivalents | | 4,00,000 | 6,00,000 |
| Total | | 50,00,000 | 60,00,000 |

Solution:

Comparative Balance Sheet

| <i>Particulars</i> | <i>Mar. 31, 2011</i> | <i>Mar. 31, 2012</i> | Absolute Change | % Change |
|-------------------------------|----------------------|----------------------|------------------------|-----------------|
| Equity and Liabilities | | | | |
| (1) Shareholders Fund | | | | |
| (a) Share Capital | 30,00,000 | 40,00,000 | 10,00,000 | 33.33 |
| (b) Reserves & Surplus | 4,00,000 | 6,00,000 | 2,00,000 | 50 |
| (2) Non Current Liabilities | | | | |
| Long Term Borrowings | 10,00,000 | 12,00,000 | 2,00,000 | 20 |
| (3) Current Liabilities | | | | |
| Trade Payables | 6,00,000 | 2,00,000 | (4,00,000) | (66.67) |
| Total | 50,00,000 | 60,00,000 | 10,00,000 | 20 |
| Assets | | | | |
| (1) Non Current Assets | | | | |
| (a) Fixed Assets | | | | |
| (i) Tangible Assets | 30,00,000 | 40,00,000 | 10,00,000 | 33.33 |
| (ii) Intangible Assets | 6,00,000 | 2,00,000 | (4,00,000) | (66.67) |
| (2) Current Assets | | | | |
| (a) Inventories | 10,00,000 | 12,00,000 | 2,00,000 | 20 |
| (b) Cash and Cash equivalents | 4,00,000 | 6,00,000 | 2,00,000 | 50 |
| Total | 50,00,000 | 60,00,000 | 10,00,000 | 20 |

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| | | | | |
|-------|--|--|--|--|
| Total | | | | |
|-------|--|--|--|--|

Common Size Balance Sheet

| <i>Particulars</i> | <i>Mar. 31, 2011</i> | <i>Mar. 31, 2012</i> | Common Size | |
|-------------------------------|--------------------------|--------------------------|-------------|------------|
| | | | 2011 | 2012` |
| Equity and Liabilities | | | | |
| (1) Shareholders Fund | | | | |
| (a) Share Capital | 30,00,000 | 40,00,000 | 60 | 66.67 |
| (b) Reserves & Surplus | 4,00,000 | 6,00,000 | 8 | 10 |
| (2) Non Current Liabilities | | | | |
| Long Term Borrowings | 10,00,000 | 12,00,000 | 20 | 20 |
| (3) Current Liabilities | | | | |
| Trade Payables | 6,00,000 | 2,00,000 | 12 | 3.33 |
| Total | 50,00,000 | 60,00,000 | 100 | 100 |
| Assets | | | | |
| (1) Non Current Assets | | | | |
| (a) Fixed Assets | | | | |
| (i) Tangible Assets | 30,00,000 | 40,00,000 | 60 | 66.67 |
| (ii) Intangible Assets | 6,00,000 | 2,00,000 | 12 | 3.33 |
| (2) Current Assets | | | | |
| (a) Inventories | 10,00,000 | 12,00,000 | 20 | 20 |
| (b) Cash and Cash equivalents | 4,00,000 | 6,00,000 | 8 | 10 |
| Total | 50,00,000 | 60,00,000 | 100 | 100 |

9. From the following balance sheets, prepare comparative and common size balance sheet of D Ltd.:

| Particulars | Note No. | 2011-12` | 2010-11` |
|--------------------------------------|----------|-----------------|-----------------|
| <u>Equity and Liabilities</u> | | | |
| (1) Shareholders Fund | | | |
| Share Capital | | 3,50,000 | 3,00,000 |
| (2) Non Current Liabilities | | | |
| Long Term Borrowings | | 1,00,000 | 2,00,000 |
| (3) Current Liabilities | | | |
| Trade Payables | | 1,50,000 | 1,00,000 |
| Total | | 6,00,000 | 6,00,000 |
| <u>Assets</u> | | | |
| (1) Non Current Assets | | | |
| Fixed Assets | | | |
| (i) Tangible Assets | | 4,00,000 | 3,00,000 |
| (2) Current Assets | | | |
| (a) Inventories | | 2,00,000 | 3,00,000 |
| Total | | 6,00,000 | 6,00,000 |

QB365 - Question Bank Software

Solution:

Comparative Balance Sheet

| <i>Particulars</i> | <i>Mar. 31, 2011</i> | <i>Mar. 31, 2012</i> | Absolute Change | % Change |
|-----------------------------|--------------------------|--------------------------|----------------------------|---------------------|
| Equity and Liabilities | | | | |
| (1) Shareholders Fund | | | | |
| (a) Share Capital | 3,00,000 | 3,50,000 | 50,000 | 16.67 |
| (2) Non Current Liabilities | | | | |
| Long Term Borrowings | 2,00,000 | 1,00,000 | (1,00,000) | (50) |
| (3) Current Liabilities | | | | |
| Trade Payables | 1,00,000 | 1,50,000 | 50,000 | 50 |
| Total | 6,00,000 | 6,00,000 | 0 | 0 |
| Assets | | | | |
| (1) Non Current Assets | | | | |
| (a) Fixed Assets | | | | |
| (i) Tangible Assets | | | 1,00,000 | 33.33 |
| (2) Current Assets | | | | |
| (a) Inventories | 3,00,000 | 4,00,000 | (1,00,000) | (33.33) |
| Total | 3,00,000 | 2,00,000 | | |
| | 6,00,000 | 6,00,000 | 0 | 0 |

Common Size Balance Sheet

| <i>Particulars</i> | <i>Mar. 31, 2011</i> | <i>Mar. 31, 2012</i> | Common Size | |
|-----------------------------|--------------------------|--------------------------|--------------------|-------------|
| | | | 2011 | 2012 |
| Equity and Liabilities | | | | |
| (1) Shareholders Fund | | | | |
| (a) Share Capital | 3,00,000 | 3,50,000 | 50 | 58.33 |
| (2) Non Current Liabilities | | | | |
| Long Term Borrowings | 2,00,000 | 1,00,000 | 33.33 | 16.67 |
| (3) Current Liabilities | | | | |
| Trade Payables | 1,00,000 | 1,50,000 | 16.67 | 25 |
| Total | 6,00,000 | 6,00,000 | 100 | 100 |

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| | | | | |
|------------------------|----------|----------|-----|-------|
| Assets | | | | |
| (1) Non Current Assets | | | | |
| (a) Fixed Assets | | | | |
| (i) Tangible Assets | 3,00,000 | 4,00,000 | 50 | 66.67 |
| (2) Current Assets | | | | |
| (a) Inventories | 3,00,000 | 2,00,000 | 50 | 33.33 |
| Total | 6,00,000 | 6,00,000 | 100 | 100 |

10. From the following balance sheets, prepare comparative and common size balance sheet of D Ltd.:

| Particulars | Note No. | 2010-11 ` | 2011-12 ` |
|-------------------------------|----------|-----------|-----------|
| <u>Equity and Liabilities</u> | | | |
| (1) Shareholders Fund | | | |
| (a) Share Capital | | 9,00,000 | 7,50,000 |
| (b) Reserves & Surplus | | 2,25,000 | 1,50,000 |
| (2) Non Current Liabilities | | | |
| Long Term Borrowings | | 3,00,000 | 4,20,000 |
| (3) Current Liabilities | | | |
| Trade Payables | | 5,55,000 | 5,85,000 |
| Total | | 19,80,000 | 19,05,000 |
| <u>Assets</u> | | | |
| (1) Non Current Assets | | | |
| (a) Fixed Assets | | | |
| (i) Tangible Assets | | 11,55,000 | 12,45,000 |
| (2) Current Assets | | | |
| (a) Inventories | | 8,25,000 | 6,60,000 |
| Total | | 19,80,000 | 19,05,000 |

Solution:

Comparative Balance Sheet

| <i>Particulars</i> | <i>Mar. 31, 2011</i> | <i>Mar. 31, 2012</i> | Absolute Change | % Change |
|-------------------------------|----------------------|----------------------|------------------------|-----------------|
| <u>Equity and Liabilities</u> | | | | |
| (1) Shareholders Fund | | | | |
| (a) Share Capital | 9,00,000 | 7,50,000 | (1,50,000) | (16.67) |
| (b) Reserves & Surplus | 2,25,000 | 1,50,000 | (75,000) | (33.33) |
| (2) Non Current Liabilities | | | | |
| Long Term Borrowings | 3,00,000 | 4,20,000 | 1,20,000 | 40 |
| (3) Current Liabilities | | | | |

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| | | | | |
|------------------------|-----------|-----------|------------|------|
| Trade Payables | 5,55,000 | 5,85,000 | 30,000 | 5.41 |
| Total | | | | |
| Assets | | | | |
| (1) Non Current Assets | | | | |
| (a) Fixed Assets | | | | |
| (i) Tangible Assets | | | | |
| (2) Current Assets | | | | |
| (a) Inventories | 19,80,000 | 19,05,000 | 75,000 | 3.79 |
| Total | | | | |
| | 11,55,000 | 12,45,000 | 90,000 | 7.79 |
| | 8,25,000 | 6,60,000 | (1,65,000) | 20 |
| | 19,80,000 | 19,05,000 | 75,000 | 3.79 |

Common Size Balance Sheet

| <i>Particulars</i> | <i>Mar. 31,</i> <i>2011</i> | <i>Mar. 31,</i> <i>2012</i> | Common Size | |
|-----------------------------|--------------------------------|--------------------------------|--------------------|-------|
| | | | 2011 | 2012 |
| Equity and Liabilities | | | | |
| (1) Shareholders Fund | | | | |
| (a) Share Capital | 9,00,000 | 7,50,000 | 45.45 | 39.37 |
| (b) Reserves & Surplus | 2,25,000 | 1,50,000 | 11.36 | 7.87 |
| (2) Non Current Liabilities | | | | |
| Long Term Borrowings | 3,00,000 | 4,20,000 | 15.15 | 22.05 |
| (3) Current Liabilities | | | | |
| Trade Payables | 5,55,000 | 5,85,000 | 28.04 | 30.71 |
| Total | 19,80,000 | 19,05,000 | 100 | 100 |
| Assets | | | | |
| (1) Non Current Assets | | | | |
| (a) Fixed Assets | | | | |
| (i) Tangible Assets | 11,55,000 | 12,45,000 | 58.33 | 65.35 |
| (2) Current Assets | | | | |
| (a) Inventories | 8,25,000 | 6,60,000 | 41.67 | 34.65 |
| Total | 19,80,000 | 19,05,000 | 100 | 100 |

11. From the following balance sheets, prepare comparative and common size balance sheet of D Ltd.:

| Particulars | Note No. | 2010-11 | 2011-12 |
|-------------------------------|-------------|---------|---------|
| <u>Equity and Liabilities</u> | | | |

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| | | | |
|-----------------------------|--|-----------|-----------|
| (1) Shareholders Fund | | | |
| (a) Share Capital | | 25,00,000 | 25,00,000 |
| (b) Reserves & Surplus | | 5,00,000 | 6,00,000 |
| (2) Non Current Liabilities | | | |
| Long Term Borrowings | | 15,00,000 | 15,00,000 |
| (3) Current Liabilities | | | |
| Trade Payables | | 5,00,000 | 5,50,000 |
| Total | | 50,00,000 | 51,50,000 |
| Assets | | | |
| (1) Non Current Assets | | | |
| (a) Fixed Assets | | | |
| (i) Tangible Assets | | 30,00,000 | 36,00,000 |
| (b) Non Current Investments | | 5,00,000 | 5,00,000 |
| (2) Current Assets | | | |
| (a) Inventories | | 15,00,000 | 10,50,000 |
| Total | | 50,00,000 | 51,50,000 |

Solution:

Comparative Balance Sheet

| <i>Particulars</i> | <i>Mar. 31, 2011</i> | <i>Mar. 31, 2012</i> | Absolute Change | % Change |
|-------------------------------|--------------------------|--------------------------|----------------------------|---------------------|
| Equity and Liabilities | | | | |
| (1) Shareholders Fund | | | | |
| (a) Share Capital | 25,00,000 | 25,00,000 | 0 | 0 |
| (b) Reserves & Surplus | 5,00,000 | 6,00,000 | 1,00,000 | 20 |
| (2) Non Current Liabilities | | | | |
| Long Term Borrowings | 15,00,000 | 15,00,000 | 0 | 0 |
| (3) Current Liabilities | | | | |
| Trade Payables | 5,00,000 | 5,50,000 | 50,000 | 10 |
| Total | 50,00,000 | 51,50,000 | 1,50,000 | 3 |
| Assets | | | | |
| (1) Non Current Assets | | | | |
| (a) Fixed Assets | | | | |
| (i) Tangible Assets | 30,00,000 | 36,00,000 | 6,00,000 | 20 |
| (b) Non Current Investments | 5,00,000 | 5,00,000 | 0 | 0 |
| (2) Current Assets | | | | |
| (a) Inventories | 15,00,000 | 10,50,000 | (4,50,000) | (3) |
| Total | 50,00,000 | 51,50,000 | 1,50,000 | 3 |

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Common Size Balance Sheet

| <i>Particulars</i> | <i>Mar. 31, 2011</i> | <i>Mar. 31, 2012</i> | Common Size | |
|-----------------------------|--------------------------|--------------------------|-------------|------------|
| | | | 2011 | 2012 |
| Equity and Liabilities | | | | |
| (1) Shareholders Fund | | | | |
| (a) Share Capital | 25,00,000 | 25,00,000 | 50 | 48.54 |
| (b) Reserves & Surplus | 5,00,000 | 6,00,000 | 10 | 11.65 |
| (2) Non Current Liabilities | | | | |
| Long Term Borrowings | 15,00,000 | 15,00,000 | 30 | 29.13 |
| (3) Current Liabilities | | | | |
| Trade Payables | 5,00,000 | 5,50,000 | 10 | 10.68 |
| Total | 50,00,000 | 51,50,000 | 100 | 100 |
| Assets | | | | |
| (1) Non Current Assets | | | | |
| (a) Fixed Assets | | | | |
| (i) Tangible Assets | 30,00,000 | 36,00,000 | 60 | 69.90 |
| (b) Non Current Investments | 5,00,000 | 5,00,000 | 10 | 9.71 |
| (2) Current Assets | | | | |
| (a) Inventories | 15,00,000 | 10,50,000 | 30 | 20.39 |
| Total | 50,00,000 | 51,50,000 | 100 | 100 |

12. From the following balance sheets, prepare a Comparative and Common Size Balance Sheet of Asha Ltd. :

| Particulars | Note No. | 2012 | 2011 |
|----------------------------------|----------|-----------------|-----------------|
| I. Equity and Liabilities | | | |
| (1) Shareholders' funds | | | |
| Share Capital | | 7,50,000 | 6,00,000 |
| (2) Current Liabilities | | | |
| Trade Payables | | 2,00,000 | 2,50,000 |
| Total | | 9,50,000 | 8,50,000 |
| II. Assets | | | |
| (1) Non-Current Assets | | | |
| Fixed Assets | | | |
| (i) Tangible Assets | | 4,00,000 | 5,00,000 |
| (2) Current Assets | | | |
| a) Inventories | | 1,00,000 | 1,00,000 |
| b) Trade receivables | | 3,50,000 | 2,00,000 |
| c) Cash and Cash Equivalents | | 1,00,000 | 50,000 |
| Total | | 9,50,000 | 8,50,000 |

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Solution:

Comparative Balance Sheet

| <i>Particulars</i> | <i>2011</i> | <i>2012</i> | Absolute Change | % Change |
|------------------------------|-----------------|-----------------|----------------------------|---------------------|
| Equity and Liabilities | | | | |
| (1) Shareholders Fund | | | | |
| (a) Share Capital | 6,00,000 | 7,50,000 | 1,50,000 | 25 |
| (2) Current Liabilities | | | | |
| Trade Payables | 2,50,000 | 2,00,000 | (50,000) | (20) |
| Total | 8,50,000 | 9,50,000 | 1,00,000 | 11.76 |
| Assets | | | | |
| (1) Non Current Assets | | | | |
| (a) Fixed Assets | | | | |
| (i) Tangible Assets | 5,00,000 | 4,00,000 | (1,00,000) | (20) |
| (2) Current Assets | | | | |
| a) Inventories | 1,00,000 | 1,00,000 | 0 | 0 |
| b) Trade receivables | 2,00,000 | 3,50,000 | 1,50,000 | 75 |
| c) Cash and Cash | 50,000 | 1,00,000 | 50,000 | 100 |
| Equivalents Total | 8,50,000 | 9,50,000 | 1,00,000 | 11.76 |

Common Size Balance Sheet

| <i>Particulars</i> | <i>Mar. 31, 2011</i> | <i>Mar. 31, 2012</i> | Common Size | |
|-------------------------|--------------------------|--------------------------|--------------------|-------------|
| | | | 2011 | 2012 |
| Equity and Liabilities | | | | |
| (1) Shareholders Fund | | | | |
| (a) Share Capital | 6,00,000 | 7,50,000 | 70.59 | 78.95 |
| (2) Current Liabilities | | | | |
| Trade Payables | 2,50,000 | 2,00,000 | 29.41 | 21.05 |
| Total | 8,50,000 | 9,50,000 | 100 | 100 |
| Assets | | | | |
| (1) Non Current Assets | | | | |
| (a) Fixed Assets | | | | |
| (i) Tangible Assets | 5,00,000 | 4,00,000 | 58.82 | 42.11 |
| (2) Current Assets | | | | |
| a) Inventories | 1,00,000 | 1,00,000 | 11.76 | 10.53 |
| b) Trade receivables | 2,00,000 | 3,50,000 | 23.53 | 36.84 |
| c) Cash and Cash | 50,000 | 1,00,000 | 5.89 | 10.52 |

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| | | | | |
|-------------|----------|----------|-----|-----|
| Equivalents | 8,50,000 | 9,50,000 | 100 | 100 |
| Total | | | | |

Values involved in Comparative Analysis and Common size statements—

Critical analysis

Decision making

Scientific temperament

Transparency

Comparative financial information for interested parties

