

**National Institute of Open Schooling (NIOS)
Senior Secondary
Worksheet-31**

L-31 FINANCIAL STATEMENT ANALYSIS- AN INTRODUCTION

1. The way in which the various items of Statement of Profit and Loss and the Balance Sheet should be presented is given in schedule VI part I of the Companies Act 1956. The modified formats of both the Statements are given in Schedule VI part I. Prepare a form of Statement of Profit and Loss statement of profit and Loss.
2. Balance Sheet as prescribed in schedule VI part I of the Companies Act 1956 is broadly divided into two parts -Equity & Liabilities and Assets. Write a detailed note on Equity & Liabilities and Assets.
3. The term financial analysis is known as analysis and interpretation of financial statements. What are the main purposes of financial analysis for an enterprise?
4. What are the financial limitations of financial analysis?
5. Techniques of analysis of financial statements are mainly classified into three categories. Write the detailed note on Techniques of analysis of financial statements.
6. Prepare Comparative Statement of Profit and Loss from the following :

<i>Particulars</i>	<i>Not e No.</i>	<i>31st March , 2012 ()</i>	<i>31st March, 2011 ()</i>
Revenue from Operations		15,00,000	10,00,000
Expenses		10,50,000	6,00,000
Other Income		1,80,000	2,00,000

7. From the following statement of Profit and Loss of Star Ltd. for the years ended 31st

March, 2011 and 2012, Prepare a Comparative Statement of Profit and Loss :

<i>Particulars</i>	<i>Note No.</i>	<i>31st March, 2012 (₹)</i>	<i>31st March, 2011 (₹)</i>
Revenue from Operations		20,00,000	16,00,000
Employees Benefit Expenses		10,00,000	8,00,000
Other Expenses		1,00,000	2,00,000

8. The common size statements (Balance Sheet and Income Statement) are shown in analytical percentages. The figures of these statements are shown as percentages of total assets, total liabilities and total sales respectively. Prepare a format of common-size balance sheet.
9. From the following Statement of Profit and Loss of Star Ltd. for the years ended 31st March, 2014 and 2013, prepare a Common-size Statement of Profit and Loss:

<i>Particulars</i>	<i>31st March, 2014 (₹)</i>	<i>31st March, 2013 (₹)</i>
Revenue from Operations	20,00,000	16,00,000
Employees Benefit Expenses	10,00,000	8,00,000
Other Expenses	1,00,000	2,00,000

10. Write a detailed note on comparative statement, common size statement and trend analysis.