

M.Com. 4th Semester Examination, 2013

**FINANCIAL STATEMENT ANALYSIS/
RURAL MARKETING**

PAPER – COM-404 (AF/M)

Full Marks : 50

Time : 2 hours

The figures in the right-hand margin indicate marks

*Candidates are required to give their answers in their
own words as far as practicable*

Illustrate the answers wherever necessary

404 (AF)

Optional Group I : (Accounting and Finance)

UNIT – I

1. Answer any two questions : 5 × 2

(a) What is Economic Value Added (EVA) and how is it measured ?

(b) What are the objectives of receivable management ? Explain the various costs of maintaining receivables.

(Turn Over)

- (c) Briefly discuss the similarities and differences between Cash Flow Statement and Income Statement.
- (d) There can be no such ratio which may be treated as 'ideal' for the firms belonging to different industries. – Explain.

2. Answer any *one* question : 10 × 1

- (a) The information below is taken from the records of two companies in the same industry (Amount in Rs. thousand).

<u>Particulars</u>	<u>A</u>	<u>B</u>
Cash	210	320
Sundry Debtors	330	630
Stock	1,230	950
Plants and Equipments	1,695	2,400
Total Assets	3,465	4,300
Sundry Creditors	900	1,050
8% Debentures	500	1,000
Equity Share Capital	1,100	1,750
Retained Earnings	965	500
Total Liabilities	<u>3,465</u>	<u>4,300</u>

<u>Particulars</u>	<u>A</u>	<u>B</u>
Sales	5,600	8,200
Cost of goods sold	4,000	6,480
Other operating expenses	800	860
Interest expenses	40	80
Income taxes	266	273
Dividends	100	180

Answer each of the following questions by making a comparison of one or more relevant ratios.

- (i) Which company is using the ordinary shareholders money more profitably ?
- (ii) Which company is better able to meet its current debts ?
- (iii) If you are willing to purchase the debentures of one company, which company's debentures would you buy ?
- (iv) Which company collects its receivables faster, assuming all sales to be credit sales ?

- (v) How long does it take the company to convert an investment in stock to cash ?
- (vi) Which company retains the larger proportion of income in the business ? 10
- (b) (i) What are the objectives of preparing Cash Flow Statement ?
- (ii) From the following particulars prepare a cash flow statement :

Balance Sheet of Greenfield Ltd. as on 31st December 2011 and 31st December 2012 (in Rs. thousand) :

<i>Liabilities</i>	2011	2012	<i>Assets</i>	2011	2012
Share Capital	150	150	Fixed Assets	2,700	2,850
Profit and Loss A/C	1,050	1,245	Stock-in-trade	300	330
Long-term debt	1,520	1,650	Sundry Debtors	150	180
Bills Payable	250	300	Cash and Marketable		
Accounts Payables	230	265	Securities	50	250
	<u>3,200</u>	<u>3,610</u>		<u>3,200</u>	<u>3,610</u>

Additional Information : (In Rs. thousand)

Depreciation Charged		
during 2012	250	
Dividend Paid	100	2 + 8

UNIT – II

3. Answer any *two* questions : 5 × 2
- (a) What is IFRS ? Write down the benefits of adopting IFRS. 2 + 3
- (b) What do you understand by Social Cost and Social Benefit ? Mention some of the major areas or heads that should be covered in Corporate Social Reporting. 2 + 3
- (c) Define 'operating segment'. Write down the aggregation criteria for clubbing operating segments. 2 + 3
- (d) Describe the benefits of corporate Social Accounting and Reporting. 5

4. Answer any *one* question : 10 × 1

(a) Write down the important provisions for depreciation method and depreciation period in relation to property, plant and equipment as per Ind AS-16. Highlight the major disclosure requirements of property, plant and equipment as per Ind AS-16. 4 + 6

(b) Sister Ltd. operates through seven segments, namely *A, B, C, D, E, F* and *G*. The relevant information about the segments is given below :

	(amounts in Rs '000)						
	<i>A</i>	<i>B</i>	<i>C</i>	<i>D</i>	<i>E</i>	<i>F</i>	<i>G</i>
I. Segment Revenue :							
(a) External Sales	70	40	310	50	60	70	–
(b) Inter-Segment Sales	20	30	–	170	30	–	150
II. Segment Results :	20	15	100	40	10	(10)	(60)
[Profit/(Loss)]							
III. Segment Assets :	25	5	70	50	15	5	30

Identify Reportable Segments of Sister Ltd.
as per Ind AS-108, with necessary explanations. 10

404 (M)

Optional Group II : (*Marketing*)

UNIT – I

1. Answer any *two* of the following : 5 × 2
- (a) What do you mean by rural marketing ? State the important features of rural environment. 2 + 3
- (b) How do farm products differ from non-farm products ? 5
- (c) Explain with an example the major components of farm product mix. 5
- (d) Discuss various food crops that are used in farm marketing. 5
2. Answer any *one* from the following : 10 × 1
- (a) Discuss with example different types of farm markets in Indian context. 10
- (b) State the major components of farm inputs. How would you design an effective logistics for farm inputs ? 5 + 5

UNIT – II

3. Answer any *two* of the following : 5 × 2

- (a) Mention the importance of co-operative marketing with respect to farm and non-farm products.
- (b) State the features of corporate farming.
- (c) Discuss the role of IPR in Indian agriculture.
- (d) Write a note on 'Cash Crop'.

4. Answer any *one* of the following : 10 × 1

- (a) Mention the various national policies for farmers which came in force in 2007 under the commission of Dr. M. S. Swaminathan.
- (b) As a marketer, how would you design an effective marketing strategy for agri-tourism ?

[*Internal Assessment* : 10 Marks]
