

Third Semester Internal Examination, September 2025
Minor Course in Commerce
CORPORATE FINANCIAL STATEMENTS
COM3MN203

Time: 1 Hr

Max Marks: 35

Name:	Marks Scored	Section A		Total Marks
Class:		Section B		
		Section C		

Section A

(Each question carries 3 marks, Max marks for section – 7)

1. Define Cash Flow Statement. What are the two methods used in cash flow statement?
2. How is operating activities, investing activities and financing activities different from each other?
3. Y ltd. Manufactures toys. It has incurred the following expenses.

Cost of raw materials	6,00,000
Rebate on purchase	30,000
Wages	1,10,000
Depreciation on machinery	20,000
Electricity Charges (factory)	16,500
Factory supervision charges	10,500

Calculate the cost of purchase and cost of conversion.

Section B

(Each question carries 6 marks, Max marks for section – 18)

4. What are the elements of cost of inventories?
5. From the following balances calculate cash from operating activities:

	31.12.25	31.12.26
Bills receivable	50,000	47,000
Debtors	10,000	12,500
Bills Payable	20,000	25,000
Creditors	8,000	6,000
Outstanding expenses	1,000	1,200
Prepaid expenses	800	700
Accrued income	600	750
Income received in advance	800	250
Profit made during the year	-	70,000

6. X Ltd. is an importer. At the end of each year, it receives rebate equal to 5% of its total purchases from its supplier. Inventory is valued on the basis of transport cost to its premises, import duties relating to the goods and the supplier rebate. The purchase price of the inventory was Rs.5,00,000. Transport cost up to its premises was Rs. 40,000, import duty was Rs 80,000 (of this Rs 30,000 is recoverable from authorities). Calculate the cost of purchase.
7. From the following summary of cash a/c of X Ltd. Prepare cash flow statement for the year ended 31st march 2026 using the direct method. The company does not have any cash equivalents.

Summary of cash account for the year ended 31.03.2026

Balance on 1-4-2025	500	Payment to supplier	20,000
Issue of equity shares	3,000	Purchase of fixed assets	2,000
Receipt from customers	28,000	Overhead expenses	2,000
Sale of fixed assets	1,000	Wages and salaries	1,000
		Taxation	2,500
		Dividend	500
		Repayment of bank loans	3,000
		Balance on 31.03.2026	1,500
	<u>32,500</u>		<u>32,500</u>

Section C

(Answer any one question, Each question carries 10 marks)

8. The following is the extract of the profit or loss statement of New Star Co. Engaged in the manufacture of electronic goods:

Purchases	1,50,000	
Customs duty	25,000	(20% eligible for duty drawback)
Air freight	8,250	
Ground transportation	1,725	
Wages paid	45,000	
Customised designing charges	16,250	
Machine operation charges	18,650	
Wastage of material cost	3,500	(out of which 3,000 is due to strike)
Advertisement charges	12,000	
Incentive to sales manager	5,000	
Repairs & maintenance	12,500	(of which 6,000 relates to delivery van)

Calculate the total cost of inventory.

9. Fab Ltd. Had the following financial data for the year ended 31st march 2026:

Particulars	Amount
Capital expenditures	75,00,000
Dividends declared	1,20,000
Net income	17,00,000
Common stock issued	33,00,000
Increase in accounts receivable	12,00,000
Depreciation and amortisation	3,50,000
Proceeds from sale of assets	6,00,000
Gain on sale of assets	50,000

Based on the above, what is the ending cash balance at 31st march 2026, assuming an opening cash balance of Rs. 47,00,000.