

**EASTERN UNIVERSITY, SRI LANKA**  
**FACULTY OF COMMERCE AND MANAGEMENT**  
**Final Year First Semester Examination in Bachelor of Commerce Honours / Bachelor**  
**of Commerce Honours in Accounting and Finance-2021/2022**  
**(February 2024) (Proper/Repeat)**  
**DAF 4133 Financial Reporting and Statement Analysis**  
**ANSWER SHEET**

INDEX NO.....

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**PART 1**

Mark 'X' in a cage for the answer chosen.

Question No.	(a)	(b)	(c)	(d)	(e)
1					
2					
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19					
20					

PART II

01. (I)

Common Size Statement of Financial Position

	2023	2022
<b>Non-Current Assets</b>		
Property, plant, etc		
<b>Total NCA</b>		
<b>Current Assets</b>		
Merchandise inventory		
Accounts receivable, net		
Prepaid expenses		
Cash		
<b>Total CA</b>		
<b>Total Assets</b>	<b>100.00</b>	<b>100.00</b>
Equity Capital (Rs.10 PS)		
Retained Earnings		
<b>Total equity</b>		
<b>Long-term Liability</b>		
Long-term Loans mortgaged on plant assets		
<b>Total LTL</b>		
<b>Current Liabilities</b>		
Accounts payable		
<b>Total CL</b>		
<b>Total liabilities and equity</b>	<b>100.00</b>	<b>100.00</b>

(07 Marks)

(II)

Statement of Financial Position as at 31.12.2023

Liabilities	Rs.	Assets	Rs.
Ordinary Share Capital		Land	
Retained Earnings	100,000	Buildings	
Current Liabilities		Inventory	50,000
		Accounts Receivable	
		Cash	

(08 Marks)

(III)

	Companies		
	A	B	C
Net sales(Rs.)	500,000		
Net Profit (Rs.)	25,000	30,000	
Total Assets (Rs.)	100,000		250,000
Total Asset Turnover(Times)			0.4
Net Profit Margin (%)		0.4	5
Return on Total Assets (%)		2	

(05 Marks)

(Total 20 Marks)

02. (I)

(a)

Items	FIFO		LIFO		WA	
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Sales						
COS:						
Opening Inventory						
Purchases						
Goods for sale						
Closing Inventory						
Gross Profit						
Operating Expenses						
Profit before tax						
Tax						
Profit After tax						

(b)

The statements of financial position at the end of the year 2023

	FIFO	LIFO	WA
Inventory			
Other assets			
Total equity			
Other liabilities			

(12 Marks)

(II)

	LIFO		FIFO	
	2023	2022	2023	2022
	Rs.	Rs.		
Inventory	219,700	241,100		
Cost of sales	754,600	675,200		
Net income	31,200	64,100		

(08 Marks)

(Total 20 Marks)

03. (I)

		Formula substitution	Answer
(a)	Basic Earnings Per Share		
(b)	Diluted Earnings Per Share		

(08 Marks)

(II)

		Formula substitution	Answer
(a)	Basic Earnings Per Share		
(b)	Diluted Earnings Per Share		

(12 Marks)

(Total 20 Marks)