Illustration 1

Convert the following statement of profit and loss into the comparative statement of profit and loss of BCR Co. Ltd.:

Particulars	Note No.	2015-16 Rs.	2016-17 Rs.
(i) Revenue from operations		60,00,000	75,00,000
(ii) Other incomes		1,50,000	1,20,000
(iii) Expenses		44,00,000	50,60,000
(iv) Income tax		35%	40%

Solution:

Comparative statement of profit and loss for the year ended March 31, 2016 and 2017:

Particulars	2015-16	2016-17	Absolute Increase (+) or Decrease (–)	Percentage Increase (+) or Decrease (–)
	Rs.	**Rs.**	**Rs.**	**%**
I. Revenue from operations	60,00,000	75,00,000	15,00,000	25.00
II. Add: Other incomes	1,50,000	1,20,000	(30,000)	(20.00)
III. Total Revenue I+II	**61,50,000**	**76,20,000**	**14,70,000**	**23.90**
IV. Less: Expenses	44,00,000	50,60,000	6,60,000	15.00
Profit before tax	**17,50,000**	**25,60,000**	**8,10,000**	**46.29**
V. Less: Tax	6,12,500	10,24,000	4,11,500	67.18
Profit after tax	**11,37,500**	**15,36,000**	**3,98,500**	**35.03**

Illustration 2

From the following statement of profit and loss of Madhu Co. Ltd., prepare comparative statement of profit and loss for the year ended March 31, 2016 and 2017:

Particulars	Note No.	2015-16 Rs.	2016-17 Rs.
Revenue from operations		16,00,000	20,00,000
Employee benefit expenses		8,00,000	10,00,000
Other expenses		2,00,000	1,00,000
Tax rate 40 %			

Solution:

Comparative statement of profit and loss of Madhu Co. Limited for the year ended March 31, 2016 and 2017:

Particulars	*2015-16*	*2016-17*	*Absolute Increase (+) or Decrease (–)*	*Percentage Increase (+) or Decrease (–)*
	Rs.	**Rs.**	**Rs.**	**%**
I. Revenue from operations	**16,00,000**	**20,00,000**	**4,00,000**	**25**
II. Less: Expenses				
a) Employee benefit expenses	8,00,000	10,00,000	2,00,000	25
b) Other expenses	2,00,000	1,00,000	(1,00,000)	(50)
Profit before tax	**6,00,000**	**9,00,000**	**3,00,000**	**50**
III. Less tax @ 40%	2,40,000	3,60,000	1,20,000	50
Profit after tax	**3,60,000**	**5,40,000**	**1,80,000**	**50**

Illustration 3

The following are the Balance Sheets of J. Ltd. as at March 31, 2016 and 2017. Prepare a Comparative balance sheet.

Particulars	*Note No.*	*March 31, 2017 (Rs.)*	*March 31, 2016 (Rs.)*
I. Equity and Liabilities			
1. Shareholders' Funds			
a) Share capital		20,00,000	15,00,000
b) Reserve and surplus		3,00,000	4,00,000
2. Non-current Liabilities			
Long-term borrowings		9,00,000	6,00,000
3. Current liabilities			
Trade payables		3,00,000	2,00,000
Total		**35,00,000**	**27,00,000**
II. Assets			
1. Non-current assets			
a) Fixed assets			
- Tangible assets		20,00,000	15,00,000
- Intangible assets		9,00,000	6,00,000
2. Current assets			
- Inventories		3,00,000	4,00,000
- Cash and cash equivalents		3,00,000	2,00,000
Total		**35,00,000**	**27,00,000**

Solution:

Comparative Balance Sheet of J. Limited
as at March 31, 2016 and March 2017:

(Rs. in Lakhs)

Particulars	*March 31, 2016*	*March 31, 2017*	*Absolute Change*	*Percentage Change*
I. Equity and Liabilities				
1. Shareholders' Funds				
a) Share capital	15	20	05	33.33
b) Reserve and surplus	04	03	(01)	(25)
2. Non-current Liabilities				
a) Long-term borrowings	06	09	03	50
3. Current liabilities				
a) Trade payables	02	03	01	50
Total	**27**	**35**	**08**	**29.63**

II. Assets				
1. Non-current assets				
a) Fixed assets				
- Tangible assets	15	20	05	33.33
- Intangible assets	06	09	03	50
b) Current assets				
- Inventories	04	03	(01)	(25)
- Cash and cash equivalents	02	03	01	50
Total	**27**	**35**	**08**	**29.63**

Illustration 4

From the following Balance Sheets of Amrit Limited as at March 31, 2016 and 2017, prepare a comparative balance sheet:

Particulars	*Note No.*	*March 31, 2017 (Rs.)*	*March 31, 2016 (Rs.)*
I. Equity and Liabilities			
1. Shareholders' Funds			
a) Share capital		20,00,000	15,00,000
b) Reserve and surplus		13,00,000	14,00,000
2. Non-current Liabilities			
Long-term borrowings		19,00,000	16,00,000
3. Current liabilities			
Trade payables		3,00,000	2,00,000
Total		**55,00,000**	**47,00,000**
II. Assets			
1. Non-current assets			
a) Fixed assets			
- Tangible assets		20,00,000	15,00,000
- Intangible assets		19,00,000	16,00,000
2. Current assets			
- Inventories		13,00,000	14,00,000
- Cash and Cash Equivalents		3,00,000	2,00,000
Total		**55,00,000**	**47,00,000**

Solution:

Comparative Balance Sheet of Amrit Limited as at March 31, 2016 and March 31, 2017

(Rs. in Lakhs)

Particulars	*March 31, 2016* Rs.	*March 31, 2017* Rs.	*Absolute Increase (+) or Decrease (–)* Rs.	*Percentage Increase (+) or Decrease (–)* %
I. Equity and Liabilities				
1) Shareholders' funds				
a) Share capital	15	20	5	33.33
b) Reserves and surplus	14	13	(1)	(7.14)
2) Non-current liabilities				
Long-term borrowings	16	19	3	18.75
3) Current liabilities				
Trade payables	2	3	1	50
Total	**47**	**55**	**8**	**17.02**
II. Assets				
1) Non-current assets				
Fixed assets				
a) Tangible assets	15	20	5	33.33
b) Intangible assets	16	19	3	18.75
2) Current assets				
a) Inventories	14	13	(1)	(7.14)
b) Cash and Cash Equivalents	2	3	1	50
Total	**47**	**55**	**8**	**17.02**

Illustration 5

From the following information, prepare a Common size Income Statement for the year ended March 31, 2016 and March 31, 2017:

Particulars	2016-17	2015-16
	Rs.	Rs.
Net sales	18,00,000	25,00,000
Cost of good sold	10,00,000	12,00,000
Operating expenses	80,000	1,20,000
Non-operating expenses	12,000	15,000
Depreciation	20,000	40,000
Wages	10,000	20,000

Solution:

Common Size Income Statement
for the year ended March 31, 2016 and March 31, 2017

Particulars	Absolute Amounts		Percentage of Net Sales	
	2015-16	2016-17	2015-16	2016-17
	Rs.	Rs.	(%)	(%)
Net Sales	25,00,000	18,00,000	100	100
(Less) Cost of goods Sold*	12,00,000	10,00,000	48	55.56
Gross Profit	**13,00,000**	**8,00,000**	**52**	**44.44**
(Less) Operating Expenses**	1,20,000	80,000	4.80	4.44
Operating Income	**11,80,000**	**7,20,000**	**47.20**	**40**
(Less) Non-Operating expenses	15,000	12,000	0.60	0.67
Profit	**11,65,000**	**7,08,000**	**46.60**	**39.33**

* Wages is the part of cost of goods sold;
** Depreciation is the part of operating expenses.

Illustration 6

From the following information, prepare Common size statement of profit and loss for the year ended March 31, 2016 and March 31, 2017:

Particulars	2015-16	2016-17
	Rs.	Rs.
Revenue from operations	25,00,000	20,00,000
Other income	3,25,000	2,50,000

Employee benefit expenses	8,25,000	4,50,000
Other expenses	2,00,000	1,00,000
Income tax (% of the profit before tax)	30%	20%

Solution:

Common size statement of Profit and Loss for the year ended March 31, 2016 and March 31, 2017:

Particulars	Absolute Amounts		Percentage of Net Revenue from operations	
	2015-16	2016-17	2015-16	2016-17
	Rs.	Rs.	(%)	(%)
Revenue from Operations	25,00,000	20,00,000	100	100
(Add) Other income	3,25,000	2,50,000	13	12.5
Total revenue	28,25,000	22,50,000	113	112.5
(Less) expenses:				
a) Employee benefit expenses	8,25,000	4,50,000	33	22.5
b) Other expenses	2,00,000	1,00,000	8	5
Profit before tax	18,00,000	17,00,000	72	85
(Less) taxes	5,40,000	3,40,000	21.6	17
Profit after tax	12,60,000	13,60,000	50.4	68

Illustration 7

Prepare common size Balance Sheet of XRI Ltd. from the following information:

Particulars	Note No.	March 31, 2016	March 31, 2017
I. Equity and Liabilities			
1. Shareholders' Fund			
a) Share capital		15,00,000	12,00,000
b) Reserves and surplus		5,00,000	5,00,000
2. Non-current liabilities			
Long-term borrowings		6,00,000	5,00,000
3. Current liabilities			
Trade Payable		15,50,000	10,50,000
Total		**41,50,000**	**32,50,000**
II. Assets			
1. Non-current assets			
a) Fixed assets			
- Tangible asset Plant & machinery		14,00,000	8,00,000
- Intangible assets Goodwill		16,00,000	12,00,000
b) Non-current investments		10,00,000	10,00,000
2. Current assets			
Inventories		1,50,000	2,50,000
Total		**41,50,000**	**32,50,000**

Solution:

Common size Balace Sheet
as at March 31, 2016 and March 31, 2017:

Particulars	Absolute Amounts		Percentage of Total Assets	
	31.03.2016	31.03.2017	31.03.2016	31.03.2017
	Rs.	Rs.	(%)	(%)
I. Equity and Liabilities				
1. Shareholders fund				
a) Share capital	15,00,000	12,00,000	36.14	36.93
b) Reserve and surplus	5,00,000	5,00,000	12.05	15.38
2. Non-current liabilities				
Long-term borrowings	6,00,000	5,00,000	14.46	15.38
3. Current liabilities				
Trade payables	15,50,000	10,50,000	37.35	32.31
Total	**41,50,000**	**32,50,000**	**100**	**100**
II. Assets				
1. Non-current assets				
a) Fixed assets				
- Tangible asset				
Plant & machinery	14,00,000	8,00,000	33.73	24.62
- Intangible assets				
Goodwill	16,00,000	12,00,000	38.55	36.92
Non-current investments	10,00,000	10,00,000	24.10	30.77
2. Current assets				
Inventories	1,50,000	2,50,000	3.62	7.69
Total	**41,50,000**	**32,50,000**	**100**	**100**