



## CHAPTER – 9

### Quick Revision Notes

#### TOOLS FOR FINANCIAL ANALYSIS

#### FORMAT OF COMPARATIVE BALANCE SHEET

as at 31<sup>st</sup> Dec 2006 and 2007

Particular	2006 Rs	2007 Rs	Absolute increase (or decrease) Rs	Percentage increase (or decrease)%
Fixed Assets	xxx	xxx		
Less: Depreciation	xxx	xxx		
	-----	-----		
Net fixed Assets (A)	xxx	xxx		
Add: Working Capital (B)	xxx	xxx		
(i.e. Current Assets- Current Liabilities)	-----	-----		
Capital Employed (A+B)	xxx	xxx		
Add : Investments	xxx	xxx		
	-----	-----		
	xxx	xxx		
Less : Long Term Loans	xxx	xxx		
	-----	-----		
Share holders fund	xxx	xxx		
	-----	-----		
Represented by :				
Equity Share Capital	xxx	xxx		
Preference Share Capital	xxx	xxx		
Reserve & Surplus	xxx	xxx		
	-----	-----		
Share Holders' Funds	xxx	xxx		

#### FORMAT OF COMPARATIVE INCOME STATEMENT

For the years ended 2006 and 2007

Particulars	2006 Rs.	2007 Rs.	Absolute Change over 2006 Rs.	Percentage Increase or Decrease %
Gross Sales	xxx	xxx		
Less: Returns	xxx	xxx		
	-----	-----		
Net Sales	xxx	xxx		
Less: Cost of goods sold	xxx	xxx		



Gross Profit	xxx	xxx		
Less: Administrative Expenses	----- xxx	xxx ----- xxx		
Less: Selling Expenses	xxx	xxx		
Net Operating Profit		----- xxx		
Add: Other Income	xxx -----	xxx		
Profit before tax	xxx	xxx		
Less: Tax	xxx			
Profit after tax	----			

**FORMAT OF COMMON SIZE INCOME STATEMENTS  
OR PROFIT AND LOSS ACCOUNT**

for the year ended .....

Particular	Year 1		Year 2	
	Amount Rs.	% to sales	Amount Rs.	%to sales
Gross Sales				
Less: Sales Return				
Net Sales				
Less: Cost of goods sold				
Gross Profit				
Less: Indirect Expenses				
Add: Other incomes				
Net Profit before tax				
Less: Tax paid				
Net Profit after tax				

**Common size Balance Sheet**

As on 31.03.07 & 31.03.08

Particulars	31.03.07	% of total of Balance Sheet	31.03.08	% of total of Balance Sheet
<b>ASSETS:</b>				
Fixed Assets				
Investment				
Current Assets				
Total				
<b>LIABILITIES:</b>				
Share capital				
Net Reserves & surplus( Reserves & surplus less fictitious assets, if any)				
Current liabilities & Provisions				
Total				

Important Tip: All percentages will be calculated on the basis of total of Balance Sheet.