

Tools of Financial Statement Analysis-Comparative Statements and Common-Size Statements

Question:1

From the following Balance Sheet, prepare Comparative Balance Sheet of Sun Ltd.:

Particulars	Note No.	31st March, 2019 ()	31st March, 2018 ()
I. EQUITY AND LIABILITIES			
1. Shareholder's Funds			
(a) Share Capital		3,50,000	3,00,000
2. Non-Current Liabilities			
Long-term Borrowings		1,00,000	2,00,000
3. Current Liabilities :			
Trade Payables		1,50,000	1,00,000
Total		6,00,000	6,00,000
II. ASSETS			
1. Non-Current Assets			
Fixed Assets (Tangible)		4,00,000	3,00,000
2. Current Assets			
Trade Receivables		2,00,000	3,00,000
Total		6,00,000	6,00,000

Solution:

In the books of Sun Ltd.
Comparative Balance Sheet
as at March 31, 2018 and 2019

Particulars	2018 ()	2019 ()	Absolute Change ()	Percentage Change (%)
I. Equity and Liabilities				
1. Shareholders' Funds				
a. Share Capital	3,00,000	3,50,000	50,000	16.67
Shareholders' Fund	3,00,000	3,50,000	50,000	16.67
2. Non-Current Liabilities				
a. Long-term Borrowings	2,00,000	1,00,000	(1,00,000)	(50.00)
3. Current Liabilities				
a. Trade Payables	1,00,000	1,50,000	50,000	50.00
Total	6,00,000	6,00,000	-	-
II. Assets				
1. Non-Current Assets				
a. Fixed Assets (Tangible)	3,00,000	4,00,000	1,00,000	33.33
2. Current Assets				
a. Trade Receivables	3,00,000	2,00,000	(1,00,000)	(33.33)
Total	6,00,000	6,00,000	-	-

Question:2

Following is the Balance Sheet of Radha Ltd. as at 31st March, 2019:

Particulars	Note No.	31st March, 2019, ()	31st March, 2018, ()
I. EQUITY AND LIABILITIES			
1. Shareholders' Funds			
(a) Share Capital		15,00,000	10,00,000
(b) Reserves and Surplus		10,00,000	10,00,000
2. Non-Current Liabilities			
Long-term Borrowings		8,00,000	2,00,000
3. Current Liabilities			
(a) Trade Payables		5,00,000	3,00,000
Total		38,00,000	25,00,000
II. ASSETS			
1. Non-Current Assets			
<i>Fixed Assets:</i>			
(i) Tangible Assets		25,00,000	15,00,000
(ii) Intangible Assets		5,00,000	5,00,000
2. Current Assets			
(a) Trade Receivables		6,00,000	3,50,000
(b) Cash and Cash Equivalents		2,00,000	1,50,000
Total		38,00,000	25,00,000

You are required to prepare Comparative Balance Sheet on the basis of the information given in the above Balance Sheet.

Solution:

In the books of Radha Ltd.
Comparative Balance Sheet
as at March 31, 2018 and 2019

Particulars	2018 ()	2019 ()	Absolute Change ()	Percentage Change (%)
I. Equity and Liabilities				
1. Shareholders' Funds				
a. Equity Share Capital	10,00,000	15,00,000	5,00,000	50.00
b. Reserve and Surplus	10,00,000	10,00,000	—	—
Shareholders' Fund	20,00,000	25,00,000	5,00,000	25.00
2. Non-Current Liabilities				
a. Long-term Borrowings	2,00,000	8,00,000	6,00,000	300.00
3. Current Liabilities				
	3,00,000	5,00,000	2,00,000	66.67
Total	25,00,000	38,00,000	13,00,000	52.00
II. Assets				
1. Non-Current Assets				
a. Fixed Assets (Tangible)	15,00,000	25,00,000	10,00,000	66.67
b. Intangible Assets	5,00,000	5,00,000	—	—
	20,00,000	30,00,000	10,00,000	50.00
2. Current Assets				
a. Trade Receivables	3,50,000	6,00,000	2,50,000	71.43
b. Cash and Cash Equivalents	1,50,000	2,00,000	50,000	33.33
	5,00,000	8,00,000	3,00,000	60.00
Total	25,00,000	38,00,000	13,00,000	52.00

Question:3

Balance Sheet of Blue Bell Ltd. as at 31st March, 2019 is given below:

BALANCE SHEET
as at 31st March, 2019

Particulars	Note No.	31st March, 2019 ()	31st March, 2018 ()
I. EQUITY AND LIABILITIES			
1. Shareholder's Funds			
(a) Share Capital		3,26,000	2,44,000
(b) Reserves and Surplus		1,00,000	1,00,000
2. Non-Current Liabilities			
Long-term Borrowings		6,96,000	4,38,000
3. Current Liabilities			
Trade Payables		2,98,000	78,000
Total		14,20,000	8,60,000
II. ASSETS			
1. Non-Current Assets			
(a) Fixed Assets		5,68,000	4,30,000
(b) Non-Current Investments		6,000	4,000
2. Current Assets			
(a) Trade Receivables		6,46,000	3,76,000
(b) Cash and Cash Equivalents		2,00,000	50,000
Total		14,20,000	8,60,000

Prepare Comparative Balance Sheet showing percentage changes from 2018 to 2019.

Solution:

In the books of Blue Bell Ltd.
Comparative Balance Sheet
as at March 31, 2018 and 2019

Particulars	2018 ()	2019 ()	Absolute Change ()	Percentage Change (%)
I. Equity and Liabilities				
1. Shareholders' Funds				
a. Equity Share Capital	2,44,000	3,26,000	82,000	33.61
b. Reserves and Surplus	1,00,000	1,00,000	-	-
Shareholder's Funds	3,44,000	4,26,000	82,000	23.84
2. Non-Current Liabilities				
a. Long-term Borrowings	4,38,000	6,96,000	2,58,000	58.90
3. Current Liabilities	78,000	2,98,000	2,20,000	282.05
Total	8,60,000	14,20,000	5,60,000	65.12
II. Assets				
1. Non-Current Assets				
a. Fixed Assets (Tangible)	4,30,000	5,68,000	1,38,000	32.09
b. Non-Current Investments	4,000	6,000	2,000	50.00
	4,34,000	5,74,000	1,40,000	32.26
2. Current Assets				
a. Trade Receivables	3,76,000	6,46,000	2,70,000	71.81

b. Cash and Cash Equivalents	50,000	2,00,000	1,50,000	300.00
	4,26,000	8,46,000	4,20,000	98.59
Total	8,60,000	14,20,000	5,60,000	65.12

Question:4

Following is the summarised Balance Sheet of Wye Ltd. as at 31st March, 2019:

Particulars	Note No.	31st March, 2019 ()	31st March, 2018 ()
I. EQUITY AND LIABILITIES			
1. Shareholders' Funds			
(a) <i>Share Capital:</i>			
(i) Equity Share Capital		4,00,000	4,00,000
(ii) Preference Share Capital		1,00,000	1,00,000
(b) Reserves and Surplus		1,20,000	1,10,000
2. Non-Current Liabilities			
(a) Long-term Borrowings	1.	4,50,000	4,50,000
(b) Long-term Provisions		50,000	1,00,000
3. Current Liabilities			
(a) Trade Payables (Creditors)		5,30,000	3,30,000
(b) Short-term Provisions		50,000	50,000
Total		17,00,000	15,40,000
II. ASSETS			
1. Non-Current Assets			
(a) Fixed Assets (Tangible)		9,90,000	10,40,000
(b) Non-Current Investments		1,00,000	1,00,000
2. Current Assets			
(a) Trade Receivables		5,00,000	3,00,000
(b) Cash and Cash Equivalents	2	1,10,000	1,00,000
Total		17,00,000	15,40,000

Notes to Accounts

Particulars	31st March, 2019 ()	31st March, 2018 ()
I. Long-term Borrowings		
Bank Loan	3,50,000	4,50,000
8% Debentures	1,00,000	...
	4,50,000	4,50,000
2. Cash and Cash Equivalents		
Bank Balance	1,00,000	90,000
Cash in Hand	10,000	10,000
	1,10,000	1,00,000

You are required to comment upon the changes in absolute figures from one period to another.

Solution:

In the books of Wye Ltd.
Comparative Balance Sheet
as at March 31, 2018 and 2019

Particulars	2018 ()	2019 ()	Absolute Change ()	Comments
I. Equity and Liabilities				

1. Shareholders' Funds				
a. Equity Share Capital	4,00,000	4,00,000	-	No Change
b. Preference Share	1,00,000	1,00,000	-	No Change
Capital				
ii. Reserve and Surplus	1,10,000	1,20,000	10,000	Increase
Shareholders' Fund	6,10,000	6,20,000	10,000	
2. Non-Current Liabilities				
a. Long-term Borrowings				
Bank Loan	4,50,000	3,50,000	1,00,000	Decrease
8% Debentures	-	1,00,000	1,00,000	Increase
b. Long-Term Provision	1,00,000	50,000	50,000	Decrease
3. Current Liabilities				
a. Trade Payables	3,30,000	5,30,000	2,00,000	Increase
b. Short-Term	50,000	50,000	-	No Change
Provisions				
Total	15,40,000	17,00,000	1,60,000	
II. Assets				
1. Non-Current Assets				
a. Fixed Assets (Tangible)	10,40,000	9,90,000	50,000	Decrease
b. Non-Current Investments	1,00,000	1,00,000	-	No Change
2. Current Assets				
b. Trade Receivables	3,00,000	5,00,000	2,00,000	Increase
c. Cash and Cash Equivalents	1,00,000	1,10,000	10,000	Increase
Total	15,40,000	17,00,000	1,60,000	

Question:5

From the Following Balance Sheet of Royal Industries Ltd. as at 31st March, 2019, prepare Comparative Balance Sheet:

Particulars	Note No.	31st March, 2019 ()	31st March, 2018 ()
I. EQUITY AND LIABILITIES			
1. Shareholder's Funds			
(a) <i>Share Capital</i>			
Equity Share Capital		10,00,000	5,00,000
(b) Reserves and Surplus		1,00,000	1,00,000
2. Non-Current Liabilities			
Long-term Borrowings		2,00,000	3,00,000
3. Current Liabilities			
Trade Payables		2,00,000	1,00,000
Total		15,00,000	10,00,000
II. ASSETS			
1. Non-Current Assets			
(a) <i>Fixed Assets:</i>			
(i) Tangible Assets		8,00,000	4,00,000
(ii) Intangible Assets		2,00,000	2,00,000
(b) Non-Current Investments		2,00,000	2,00,000
2. Current Assets			

(a) Inventories		2,50,000	1,50,000
(b) Cash and Cash Equivalents		50,000	50,000
Total		15,00,000	10,00,000

Solution:

In the books of Royal Industries Ltd.

Comparative Balance Sheet

as at March 31, 2018 and 2019

Particulars	2018 ()	2019 ()	Absolute Change ()	Percentage Change (%)
I. Equity and Liabilities				
1. Shareholders' Funds				
a. Equity Share Capital	5,00,000	10,00,000	5,00,000	100.00
b. Reserve and Surplus	1,00,000	1,00,000	—	—
Shareholders' Fund	6,00,000	11,00,000	5,00,000	83.33
2. Non-Current Liabilities				
a. Long-term Borrowings	3,00,000	2,00,000	(1,00,000)	(33.33)
3. Current Liabilities				
a. Trade Payables	1,00,000	2,00,000	1,00,000	100.00
Total	10,00,000	15,00,000	5,00,000	50.00
II. Assets				
1. Non-Current Assets				
a. Fixed Assets (Tangible)	4,00,000	8,00,000	4,00,000	100.00
b. Intangible Assets	2,00,000	2,00,000	-	-
c. Non-Current Investments	2,00,000	2,00,000	-	-
2. Current Assets				
a. Inventories	1,50,000	2,50,000	1,00,000	66.67
b. Cash and Cash Equivalents	50,000	50,000	—	—
Total	10,00,000	15,00,000	5,00,000	50.00

Question:6

From the following Balance Sheet of Depth Ltd. as at 31st March, 2019, prepare Comparative Balance Sheet:

Particulars	Note No.	31st March, 2019 ()	31st March, 2018 ()
I. EQUITY AND LIABILITIES			
1. Shareholders' Funds			
(a) Share Capital		2,80,000	1,80,000
(b) Reserves and Surplus		1,00,000	1,00,000
2. Non-Current Liabilities			
Long-term Borrowings		80,000	20,000
3. Current Liabilities			
Trade Payables		50,000	30,000
Total		5,10,000	3,30,000
II. ASSETS			
1. Non-Current Assets			
(a) <i>Fixed Assets:</i>			
(i) Tangible Assets		2,80,000	1,80,000
(ii) Intangible Assets		50,000	30,000
(b) Non-Current Investments		80,000	50,000
2. Current Assets			

(a) Inventories	70,000	30,000
(b) Cash and Cash Equivalents	30,000	40,000
Total	5,10,000	3,30,000

Solution:

Comparative Balance Sheet of Depth Ltd.
as at March 31, 2017 and March 31, 2018

Particulars	2018 (Rs)	2017 (Rs)	Absolute Change (Rs)	Percentage Change (%)
I. Equity and Liabilities				
1. Shareholders' Funds				
a. Share Capital	2,80,000	1,80,000	1,00,000	55.56
b. Reserve and Surplus	1,00,000	1,00,000	–	–
Total	3,80,000	2,80,000	1,00,000	35.71
2. Non-Current Liabilities				
Long-term Borrowings	80,000	20,000	60,000	300.00
3. Current Liabilities				
Trade Payables	50,000	30,000	20,000	66.67
Total	5,10,000	3,30,000	1,80,000	54.55
II. Assets				
1. Non-Current Assets				
a. Fixed Assets				
i. Tangible Assets	2,80,000	1,80,000	1,00,000	55.56
ii. Intangible Assets	50,000	30,000	20,000	66.67
b. Non-Current Investments	80,000	50,000	30,000	60.00
Total	4,10,000	2,60,000	1,50,000	57.69
2. Current Assets				
a. Inventories	70,000	30,000	40,000	133.33
b. Cash and Cash Equivalents	30,000	40,000	(10,000)	(25.00)
Total	1,00,000	70,000	30,000	42.86
Total	5,10,000	3,30,000	1,80,000	54.55

Question:7

From the following Balance Sheet of H.P. Ltd. as at 31st March, 2019, prepare Comparative Balance Sheet:

Particulars	Note No.	31st March, 2019 ()	31st March, 2018 ()
I. EQUITY AND LIABILITIES			
1. Shareholders' Funds			
(a) <i>Share Capital:</i>			
(i) Equity Share Capital		12,50,000	5,00,000
(ii) Preference Share Capital		2,50,000	2,50,000
(b) Reserves and Surplus		3,00,000	4,50,000
2. Non-Current Liabilities			
<i>Long-term Borrowings: 12% Debentures</i>		9,50,000	5,50,000
Loan from Directors		2,50,000	2,00,000
3. Current Liabilities			
(a) Short-term Borrowings		3,50,000	1,75,000
(b) Trade Payables		2,00,000	1,00,000
(c) Short-term Provisions		50,000	25,000
Total		36,00,000	22,50,000
II. ASSETS			
1. Non-Current Assets			
(a) Fixed Assets (Tangible)		22,50,000	15,00,000

2. Current Assets		
(a) Inventories	4,50,000	2,50,000
(b) Trade Receivables	8,00,000	4,50,000
(c) Cash and Cash Equivalents	1,00,000	50,000
Total	36,00,000	22,50,000

Solution:

Comparative Balance Sheet of H.P. Ltd.
as at March 31, 2018 and March 31, 2019

Particulars	2018 ()	2019 ()	Absolute Change ()	Percentage Change (%)
I. Equity and Liabilities				
1. Shareholders' Funds				
a. Share Capital				
1. Equity Share Capital	12,50,000	5,00,000	7,50,000	150.00
2. Preference Share Capital	2,50,000	2,50,000	—	—
Total	15,00,000	7,50,000	7,50,000	100.00
b. Reserve and Surplus	3,00,000	4,50,000	(1,50,000)	(33.33)
	18,00,000	12,00,000	6,00,000	50.00
2. Non-Current Liabilities				
a. Long-term Borrowings				
12% Secured Debentures	9,50,000	5,50,000	4,00,000	72.73
12% Unsecured Debentures	2,50,000	2,00,000	50,000	25.00
	12,00,000	7,50,000	4,50,000	60.00
3. Current Liabilities				
a. Short-Term Borrowings	3,50,000	1,75,000	1,75,000	100.0
b. Trade Payables	2,00,000	1,00,000	1,00,000	100.00
c. Short-Term Provisions	50,000	25,000	25,000	100.00
Total	36,00,000	22,50,000	13,50,000	60.00
II. Assets				
1. Non-Current Assets				
a. Fixed Assets (Tangible)	22,50,000	15,00,000	7,50,000	50.00
2. Current Assets				
a. Inventories	4,50,000	2,50,000	2,00,000	80.00
b. Trade Receivables	8,00,000	4,50,000	3,50,000	77.78
c. Cash and Cash Equivalents	1,00,000	50,000	50,000	100.00

Total	36,00,000	22,50,000	13,50,000	60.00

Question:8

Following information is extracted from the Statement of Profit and Loss of Gold Coin Ltd. for the year ended 31st March, 2015:

Particulars	31st March, 2015	31st March, 2014
Revenue from Operations	60,00,000	45,00,000
Employee Benefit Expenses	30,00,000	22,50,000
Depreciation	7,50,000	6,00,000
Other Expenses	15,50,000	10,00,000
Tax Rate	30%	30%

Solution:

Comparative Income Statement
for the year ended March 31, 2014 and 2015

Particulars	2014 (Rs)	2015 (Rs)	Absolute Change (Rs)	Percentage Change (%)
I. Revenue from Operations	45,00,000	60,00,000	15,00,000	33.33
II. Expenses				
a. Depreciation	6,00,000	7,50,000	1,50,000	25.0
b. Employees Benefit Expenses	22,50,000	30,00,000	7,50,000	33.33
c. Other Expenses	10,00,000	15,50,000	5,50,000	55.0
	38,50,000	53,00,000	14,50,000	37.66
Profit before Income Tax	6,50,000	7,00,000	50,000	7.69
Less: Income Tax	1,95,000	2,10,000	15,000	7.69
Profit after Income Tax	4,55,000	4,90,000	35,000	7.69

Question:9

Prepare Comparative Statement of Profit and Loss from the following Statement of Profit and Loss:

Particulars	Note No.	31st March, 2019 ()	31st March, 2018 ()
I. Income			
Revenue from Operations (Net Sales)		3,50,000	3,00,000
II. Expenses			
Purchases of Stock-in-Trade		2,10,000	1,80,000
Change in Inventories of Stock-in-Trade		15,000	20,000
Employees Benefits Expenses		17,500	15,000
Other Expenses		7,500	5,000
Total		2,50,000	2,20,000
III. Profit before Tax (I-II)		1,00,000	80,000
IV. Less: Tax		30,000	24,000
V. Profit after Tax (III-IV)		70,000	56,000

Solution:

Comparative Income Statement
for the year ended March 31, 2018 and 2019

Particulars	2018 ()	2019 ()	Absolute Change ()	Percentage Change (%)
I. Revenue from Operations	3,00,000	3,50,000	50,000	16.67
II. Expenses				
a. Purchase of Stock-in-Trade	1,80,000	2,10,000	30,000	16.67
b. Changes in Inventories of Stock-in-Trade	20,000	15,000	(5,000)	(25.00)
c. Employees Benefit cost	15,000	17,500	2,500	16.67
d. Other Expenses	5,000	7,500	2,500	50.00
	2,20,000	2,50,000	30,000	13.67
Profit before Income Tax (I-II)	80,000	1,00,000	20,000	25.00
Less: Income Tax	24,000	30,000	6,000	25.00
Profit after Income Tax	56,000	70,000	14,000	25.00

Question:10

Prepare Comparative Statement of Profit and Loss from the following Statement of Profit and Loss:

Particulars	Note No.	31st March, 2019 ()	31st March, 2018 ()
I. Income			
Revenue from Operations (Net Sales)		3,00,000	2,50,000
II. Expenses			
Cost of Materials Consumed		1,20,000	1,00,000
Changes in Inventories of WIP and Finished Goods		(2,000)	5,000
Employees Benefits Expenses (Wages)		30,000	25,000
Other Expenses		22,000	20,000
Total		1,70,000	1,50,000
III. Net Profit (I-II)		1,30,000	1,00,000

Solution:

Comparative Income Statement
for the year ended March 31, 2018 and 2019

Particulars	2018 ()	2019 ()	Absolute Change ()	Percentage Change (%)
I. Revenue from Operations	2,50,000	3,00,000	50,000	20.00
II. Expenses:				
a. Cost of Materials Consumed	1,00,000	1,20,000	20,000	20.00
b. Changes in Inventories of WIP and Finished Goods	5,000	(2,000)	(7,000)	(140.00)
c. Employees Benefit Expenses (Wages)	25,000	30,000	5,000	20.00
d. Other Expenses	20,000	22,000	2,000	10.00
	1,50,000	1,70,000	20,000	13.33
Profit before Income Tax (I-II)	1,00,000	1,30,000	30,000	30.00
Less: Income Tax	—	—	—	—
Profit after Income Tax	1,00,000	1,30,000	30,000	30.00

Question:11

From the following Information, prepare Comparative Statement of Profit and Loss:

Particulars	31st March, 2019	31st March, 2018
Revenue from Operations	30,00,000	20,00,000
Other Income (% of Revenue from Operations)	12%	20%
Expenses (% of Operating Revenue)	70%	60%
Tax Rate	40%	40%

Solution:

Comparative Income Statement
for the year ended March 31, 2018 and 2019

Particulars	March 31, 2018 ()	March 31, 2019 ()	Absolute Change ()	Percentage Change (%)
I. Revenue from operations	20,00,000	30,00,000	10,00,000	50.00
II. Other Income	4,00,000	3,60,000	(40,000)	(10.00)
III. Total Revenue (I + II)	24,00,000	33,60,000	9,60,000	40.00
IV. Expenses	12,00,000	21,00,000	9,00,000	75.00
Profit before Income Tax	12,00,000	12,60,000	60,000	5.00
Less: Income Tax @ 40%	4,80,000	5,04,000	24,000	5.00
Profit after Income Tax	7,20,000	7,56,000	36,000	5.00

Working Notes:

WN1 Computation of Other Income

Particulars	2018 ()	2019 ()
Revenue From Operations	20,00,000	30,00,000
% of Revenue From Operations	20%	12%
Other Income	4,00,000	3,60,000

WN1 Computation of Expenses

Particulars	2018 ()	2019 ()
Revenue From Operations	20,00,000	30,00,000
% of Revenue From Operations	60%	70%
Expenses	12,00,000	21,00,000

Question:12

From the following information, prepare Comparative Statement of Profit and Loss showing increase, decrease and percentage:

Particulars	31st March, 2019	31st March, 2018
Cost of Materials Consumed	13,44,000	6,00,000
Revenue from Operations (% of Materials Consumed)	125%	200%
Other Expenses (% of Operating Revenue)	10%	10%
Tax Rate	50%	50%

Solution:

Comparative Income Statement
for the year ended 31st March, 2018 and 2019

Particulars	March 31, 2018 ()	March 31, 2019 ()	Absolute Change ()	Percentage Change (%)
I. Revenue from Operations (WN1)	12,00,000	16,80,000	4,80,000	40.00
II. Expenses				
a. Cost of Material Consumed	6,00,000	13,44,000	7,44,000	124.00
b. Other Expenses (WN2)	1,20,000	1,68,000	48,000	40.00
	7,20,000	15,12,000	7,92,000	110.00
Profit before Income Tax (I-II)	4,80,000	1,68,000	(3,12,000)	(65.00)
Less: Income Tax @ 50%	2,40,000	84,000	(1,56,000)	(65.00)
Profit after Income Tax	2,40,000	84,000	1,56,000	(65.00)

Working Notes:

WN1 Computation of Revenue from Operations

Particulars	2018 ()	2019 ()
Cost of Materials Consumed	6,00,000	13,44,000
% of Materials Consumed	200%	125%
Revenue from Operations	12,00,000	16,80,000

WN2 Computation of Other Expenses

Particulars	2018 ()	2019 ()
Revenue From Operations	12,00,000	16,80,000
% of Operating Revenue	10%	10%
Other Expenses	1,20,000	1,68,000

Question:13

From the following Statement of Profit and Loss, prepare Comparative Statement of Profit and Loss:

Particulars	Note No.	31st March, 2019 ()	31st March, 2018 ()
I. Income			
Revenue from Operations (Net Sales)		50,00,000	40,00,000
II. Expenses			
Purchases of Stock-in-Trade		34,00,000	28,50,000
Change in Inventories of Stock-in- Trade	1	1,00,000	1,50,000
Employees Benefits Expenses		1,00,000	1,00,000
Other Expenses	2	2,00,000	1,50,000
Total		38,00,000	32,50,000
III. Net Profit (I-II)		12,00,000	7,50,000

Notes to Accounts

Particulars	31st March, 2019 ()	31st March, 2018 ()
I. Change in Inventory of stock-in-Trade		
Opening Inventory	2,00,000	3,50,000
Less: Closing Inventory	1,00,000	2,00,000
	1,00,000	1,50,000
2. Other Expenses		
Administrative Expenses	50,000	50,000
Selling and Distribution Expenses	1,50,000	1,00,000
	2,00,000	1,50,000

Solution:

Comparative Income Statement
for the year ended March 31, 2018 and 2019

Particulars	2018 ()	2019 ()	Absolute Change ()	Percentage Change (%)
I. Revenue from Operations	40,00,000	50,00,000	10,00,000	25.00
II. Expenses:				
a. Purchases of Stock-in-Trade	28,50,000	34,00,000	5,50,000	19.30
b. Changes in Inventories of Stock-in-Trade	1,50,000	1,00,000	(50,000)	(33.33)
c. Employees Benefit Expenses	1,00,000	1,00,000	—	—
d. Other Expenses	1,50,000	2,00,000	50,000	33.33
	32,50,000	38,00,000	5,50,000	16.92
Profit before Income Tax (I-II)	7,50,000	12,00,000	4,50,000	60.00
Less: Income Tax	—	—	—	—
Profit after Income Tax	7,50,000	12,00,000	4,50,000	60.00