

**Common Size and Comparative Statements**

**Format of Statement of Profit and Loss**

Revenue from operations		xxx
Other Incomes	<u>xxx</u>	
Total Revenue	<u>xxx</u>	
Expenses:		
Cost of material		xxx
Employee benefit expense		<u>xxx</u>
Total Expenses		<u>xxx</u>
Profit before tax		xxx
Tax expense		<u>xxx</u>
Profit after tax		<u>xxx</u>

From the following information prepare a comparative income Statement of victor Ltd.

	2006	2007
Revenue from Operations	15,00,000	18,00,000
Cost of Goods Sold	11,00,000	14,00,000
Indirect Expenses	20% of Gross Profit	25% of Gross Profit
Income Tax	50%	50%

(C.B.S.E. 2008, Outside Delhi)



**Solution 1. Comparative Income Statement**  
For the year 2006 and 2007

Particulars	2006	2007	Absolute Change	%Change
Revenue from Operations	15,00,000	18,00,000	3,00,000	+20%
Less: Cost of Goods Sold	11,00,000	14,00,000	3,00,000	+27.27%
Gross Profit	4,00,000	4,00,000		

Less: Indirect Expenses	80,000	1,00,000	20,000	+25%
Net Profit before tax	3,20,000	3,00,000	-20,000	-6.25%
Less: Income Tax	1,60,000	1,50,000	-10,000	-6.25%
Net Profit After Tax	1,60,000	1,50,000	-10,000	-6.25%

Prepare a Comparative Income Statement of Ahmed Ltd., with the help of the following information:

	31.3.2000	31.3.2001
Revenue from Operations	5,00,000	8,00,000
Cost of Goods Sold	3,00,000	5,00,000
Direct Expenses	40,000	20,000
Indirect Expenses	30,000	40,000
Income Tax	40%	50%

(C.B.S.E. 2002)

**Solution 2.**

**Comparative Income Statement**

Particular	31.3.2000	31.3.2001	Absolute Change	%Change
Revenue from Operations	5,00,000	8,00,000	3,00,000	60.00
Less: Cost of Goods Sold	3,00,000	5,00,000	2,00,000	66.67
Gross Profit	2,00,000	3,00,000	1,00,000	50.00
Less: Indirect Expenses	30,000	40,000	10,000	33.33
Net profit before Tax	1,70,000	2,60,000	90,000	52.94
Less: Income Tax	68,000	1,30,000	62,000	91.18
Net Profit after Tax	1,02,000	1,30,000	28,000	27.45

**Hint:** Direct expenses are ignored since they are already included in the cost of goods sold. Prepare a Comparative Income Statement from the following information

Question--

Particulars	31.3.2009	31.3.2010
Revenues from Operations	30,00,0000	40,00,000
Cost of Goods Sold	60% of Sales	55% of Sales
Paid wages	25,000	30,000
Operating Expenses	20% of Gross Profit	25% of Gross Profit
Income Tax	40%	40%

(C.B.S.E. 20011, Set II)

**Solution 3.** Comparative Income Statement

for the years ended on 31st March 2009 and 2010

Particular	31.3.2009	31.3.2010	Absolute Change	%Increase or Decrease
Revenue from Operations	30,00,000	40,00,000	10,00,000	33.33
Less: Cost of Goods Sold	18,00,000	22,00,000	4,00,000	22.22
Gross Profit	12,00,000	18,00,000	6,00,000	50.00
Less: Operating Expenses	2,40,000	4,50,000	2,10,000	87.50
Net Profit before Tax	9,60,000	13,50,000	3,90,000	40.63
Less: Income Tax @ 40%	3,84,000	5,40,000	1,56,000	40.63
Net Profit after tax	5,76,000	8,10,000	2,34,000	40.63

**Note:** Wages is a direct expense. It is ignored because it is already included in the cost of goods sold.

- From the following details make out a comparative and common size statements:

Particulars	2011 `	2012 `
Revenue from operations	16,00,000	20,00,000
Cost of Goods Sold	8,00,000	10,00,000

Indirect Expenses	2,00,000	1,00,000
Tax rate 40%		

**Solution:**

### Comparative Income Statement

<i>Particulars</i>	2011 `	2012 `	Absolute Change	% Change
Revenue from operations	16,00,000	20,00,000	4,00,000	25
Less: Cost of Goods Sold	8,00,000	10,00,000	2,00,000	25
Gross Profit	8,00,000	10,00,000	2,00,000	25
Less: Indirect Expenses	2,00,000	1,00,000	(1,00,000)	(50)
Net Profit before Tax	6,00,000	9,00,000	3,00,000	50
Less: Income Tax	2,40,000	3,60,000	1,20,000	50
Net Profit after Tax	3,60,000	5,40,000	1,80,000	50

### Common Size Income Statement

<i>Particulars</i>	2011 `	2012 `	Common Size	
			2011 `	2012 `
Revenue from operations	16,00,000	20,00,000	100	100
Less: Cost of Goods Sold	8,00,000	10,00,000	50	50
Gross Profit	8,00,000	10,00,000	50	50
Less: Indirect Expenses	2,00,000	1,00,000	12.5	5
Net Profit before Tax	6,00,000	9,00,000	37.5	45
Less: Income Tax	2,40,000	3,60,000	15	18
Net Profit after Tax	3,60,000	5,40,000	22.5	27

2. Prepare a comparative and common size income statement with the help of the following information:

<i>Particulars</i>	2011 `	2012 `
Revenue from operations	8,00,000	10,00,000
Cost of material	4,00,000	6,00,000
Employee benefit expense	1,50,000	2,00,000
Provision for Tax	1,00,000	1,30,000

**Solution:**

### Comparative Income Statement

<i>Particulars</i>	2011 `	2012 `	Absolute Change	% Change
Revenue from operations	8,00,000	10,00,000	2,00,000	25
Less: Cost of material	4,00,000	6,00,000	2,00,000	50
Gross Profit	4,00,000	4,00,000	0	0
Less: Employee benefit expenses	1,50,000	2,00,000	50,000	33.33
Net Profit before Tax	2,50,000	2,00,000	(50,000)	(20)
Less: Provision for Tax	1,00,000	1,30,000	30,000	30
Net Profit after Tax	1,50,000	70,000	(80,000)	(53.33)

### Common Size Income Statement

<i>Particulars</i>	2011 `	2012 `	Common Size	
			2011 `	2012 `
Revenue from operations	8,00,000	10,00,000	100	100
Less: Cost of material	4,00,000	6,00,000	50	60
Gross Profit	4,00,000	4,00,000	50	40
Less: Employee benefit expenses	1,50,000	2,00,000	18.75	20
Net Profit before Tax	2,50,000	2,00,000	31.25	20
Less: Provision for Tax	1,00,000	1,30,000	12.5	13
Net Profit after Tax	1,50,000	70,000	18.75	7

3. From the following information, prepare a comparative and common size income statement:

<i>Particulars</i>	2011 `	2012 `
Revenue from Operations	13,20,000	18,00,000
Other Incomes	1,50,000	2,00,000
Cost of material	7,00,000	11,00,000
Employee benefit expense	2,50,000	3,50,000
Tax	50%	50%

**Solution:**

### Comparative Income Statement

<i>Particulars</i>	2011 `	2012 `	Absolute Change	% Change
Revenue from operations	13,20,000	18,00,000	4,80,000	36.36
Less: Cost of material	7,00,000	11,00,000	4,00,000	57.14
Gross Profit	6,20,000	7,00,000	80,000	12.90
Less: Employee benefit expenses	2,50,000	3,50,000	1,00,000	40
Add: Other Incomes	1,50,000	2,00,000	50,000	33.33
Net Profit before Tax	1,00,000	1,50,000	50,000	50
Less: Provision for Tax	50,000	75,000	25,000	50
Net Profit after Tax	50,000	75,000	25,000	50

### Common Size Income Statement

<i>Particulars</i>	2011 `	2012 `	Common Size	
			2011 `	2012 `
Revenue from operations	13,20,000	18,00,000	100	100
Less: Cost of material	7,00,000	11,00,000	53.03	61.11
Gross Profit	6,20,000	7,00,000	46.97	38.89
Less: Employee benefit expenses	2,50,000	3,50,000	18.94	19.44
Add: Other Incomes	1,50,000	2,00,000	11.36	11.11
Net Profit before Tax	1,00,000	1,50,000	7.58	8.33
Less: Provision for Tax	50,000	75,000	3.79	4.17
Net Profit after Tax	50,000	75,000	3.79	4.16

4. Prepare a horizontal and vertical income statement of 'S Ltd', with the help of the following information:

<i>Particulars</i>	<i>2011</i>	<i>2012</i>
Revenue from operations	1,00,000	2,00,000
Cost of material (of revenue)	60%	70%
Employee benefit expense (of revenue)	20%	25%
Rate of income tax	50% of profit before tax	

**Solution:**

### Comparative Income Statement

<i>Particulars</i>	<i>2011 `</i>	<i>2012 `</i>	<b>Absolute Change</b>	<b>% Change</b>
Revenue from operations	1,00,000	2,00,000	1,00,000	50
Less: Cost of material	60,000	1,40,000	80,000	133.33
Gross Profit	40,000	60,000	20,000	50
Less: Employee benefit expenses	20,000	50,000	30,000	150
Net Profit before Tax	20,000	10,000	(10,000)	(50)
Less: Provision for Tax	10,000	5,000	(5,000)	(50)
Net Profit after Tax	10,000	5,000	(5,000)	(50)

### Common Size Income Statement

<i>Particulars</i>	<i>2011 `</i>	<i>2012 `</i>	<b>Common Size</b>	
			<b>2011 `</b>	<b>2012 `</b>
Revenue from operations	1,00,000	2,00,000	100	100
Less: Cost of material	60,000	1,40,000	60	70
Gross Profit	40,000	60,000	40	30
Less: Employee benefit expenses	20,000	50,000	20	25
Net Profit before Tax	20,000	10,000	20	5
Less: Provision for Tax	10,000	5,000	10	2.5
Net Profit after Tax	10,000	5,000	10	2.5

5. Prepare comparative and common size income statement with the help of the following information:

<i>Particulars</i>	<i>2012</i>	<i>2011</i>
Revenue from operations	3,00,000	2,00,000
Cost of material (of revenue)	70%	60%
Employee benefit expense (of revenue)	20%	30%
Income Tax Rate (of profit before tax)	50%	50%

**Solution:**

### Comparative Income Statement

<i>Particulars</i>	2011 `	2012 `	Absolute Change	% Change
Revenue from operations	2,00,000	3,00,000	1,00,000	50
Less: Cost of material	1,20,000	2,10,000	90,000	75
Gross Profit	80,000	90,000	10,000	12.5
Less: Employee benefit expenses	60,000	60,000	0	0
Net Profit before Tax	20,000	30,000	10,000	50
Less: Provision for Tax	10,000	15,000	5,000	50
Net Profit after Tax	10,000	15,000	5,000	50

### Common Size Income Statement

<i>Particulars</i>	2011 `	2012 `	Common Size	
			2011 `	2012 `
Revenue from operations	2,00,000	3,00,000	100	100
Less: Cost of material	1,20,000	2,10,000	60	70
Gross Profit	80,000	90,000	40	30
Less: Employee benefit expenses	60,000	60,000	30	20
Net Profit before Tax	20,000	30,000	10	10
Less: Provision for Tax	10,000	15,000	5	5
Net Profit after Tax	10,000	15,000	5	5

6. Prepare comparative and common size income statement with the help of the following information:

<i>Particulars</i>	2012	2011
Revenue from operations	5,00,000	4,00,000
Cost of material (of revenue)	60%	55%
Employee benefit expense (of revenue)	20%	25%
Income Tax Rate (of profit before tax)	50%	50%

**Solution:**

### Comparative Income Statement

<i>Particulars</i>	2011 `	2012 `	Absolute Change	% Change
Revenue from operations	4,00,000	5,00,000	1,00,000	25
Less: Cost of material	2,20,000	3,00,000	90,000	40.91
Gross Profit	1,80,000	2,00,000	20,000	11.11
Less: Employee benefit expenses	1,00,000	1,00,000	0	0

Net Profit before Tax	80,000	1,00,000	20,000	25
Less: Provision for Tax	40,000	50,000	10,000	25
Net Profit after Tax	40,000	50,000	10,000	25

### Common Size Income Statement

Particulars	2011 `	2012 `	Common Size	
			2011 `	2012 `
Revenue from operations	4,00,000	5,00,000	100	100
Less: Cost of material	2,20,000	3,00,000	55	60
Gross Profit	1,80,000	2,00,000	45	40
Less: Employee benefit expenses	1,00,000	1,00,000	25	20
Net Profit before Tax	80,000	1,00,000	20	20
Less: Provision for Tax	40,000	50,000	10	10
Net Profit after Tax	40,000	50,000	10	10

7. From the following balance sheets, prepare comparative and common size balance sheet of D Ltd.:

Particulars	Note No.	2010-11 `	2011-12 `
<u>Equity and Liabilities</u>			
(1) Shareholders Fund			
(a) Share Capital		15,00,000	20,00,000
(b) Reserves & Surplus		4,00,000	3,00,000
(2) Non Current Liabilities			
Long Term Borrowings		6,00,000	9,00,000
(3) Current Liabilities			
Trade Payables		2,00,000	3,00,000
Total		27,00,000	35,00,000
<u>Assets</u>			
(1) Non Current Assets			
(a) Fixed Assets			
(i) Tangible Assets		15,00,000	20,00,000
(ii) Intangible Assets		6,00,000	9,00,000
(2) Current Assets			
(a) Inventories		4,00,000	3,00,000
(b) Cash and Cash equivalents		2,00,000	3,00,000
Total		27,00,000	35,00,000

**Solution:**

**Comparative Balance Sheet**



<i>Particulars</i>	<i>2011 `</i>	<i>2012 `</i>	<i>Absolute Change</i>	<i>% Change</i>
Equity and Liabilities				
(1) Shareholders Fund				
(a) Share Capital	15,00,000	20,00,000	5,00,000	33.33
(b) Reserves & Surplus	4,00,000	3,00,000	(1,00,000)	(25)
(2) Non Current Liabilities				
Long Term Borrowings	6,00,000	9,00,000	3,00,000	50
(3) Current Liabilities				
Trade Payables	2,00,000	3,00,000	1,00,000	50
Total	27,00,000	35,00,000	8,00,000	29.63
Assets				
(1) Non Current Assets				
(a) Fixed Assets				
(i) Tangible Assets	15,00,000	20,00,000	5,00,000	33.33
(ii) Intangible Assets	6,00,000	9,00,000	3,00,000	50
(2) Current Assets				
(a) Inventories	4,00,000	3,00,000	(1,00,000)	(25)
(b) Cash and Cash equivalents	2,00,000	3,00,000	1,00,000	50
Total	27,00,000	35,00,000	8,00,000	29.63

#### Common Size Balance Sheet

<i>Particulars</i>	<i>2011 `</i>	<i>2012 `</i>	<i>Common Size</i>	
			<i>2011 `</i>	<i>2012 `</i>
Equity and Liabilities				
(1) Shareholders Fund				
(a) Share Capital	15,00,000	20,00,000	55.56	57.14
(b) Reserves & Surplus	4,00,000	3,00,000	14.81	8.57
(2) Non Current Liabilities				
Long Term Borrowings	6,00,000	9,00,000	22.22	25.71
(3) Current Liabilities				
Trade Payables	2,00,000	3,00,000	7.41	8.58
Total	27,00,000	35,00,000	100	100
Assets				
(1) Non Current Assets				
(a) Fixed Assets				
(i) Tangible Assets	15,00,000	20,00,000	55.56	57.14
(ii) Intangible Assets	6,00,000	9,00,000	22.22	25.71
(2) Current Assets				
(a) Inventories	4,00,000	3,00,000	14.81	8.57
(b) Cash and Cash equivalents	2,00,000	3,00,000	7.41	8.58
Total	27,00,000	35,00,000	100	100

8. From the following balance sheets, prepare comparative and common size balance sheet of D Ltd.:

Particulars	Note No.	2010-11 `	2011-12 `
<u>Equity and Liabilities</u>			
(1) Shareholders Fund			
(a) Share Capital		30,00,000	40,00,000
(b) Reserves & Surplus		4,00,000	6,00,000
(2) Non Current Liabilities			
Long Term Borrowings		10,00,000	12,00,000
(3) Current Liabilities			
Trade Payables		6,00,000	2,00,000
Total		50,00,000	60,00,000
<u>Assets</u>			
(1) Non Current Assets			
(a) Fixed Assets			
(i) Tangible Assets		30,00,000	40,00,000
(ii) Intangible Assets		6,00,000	2,00,000
(2) Current Assets			
(a) Inventories		10,00,000	12,00,000
(b) Cash and Cash equivalents		4,00,000	6,00,000
Total		50,00,000	60,00,000

**Solution:**

**Comparative Balance Sheet**

Particulars	Mar. 31, 2011 `	Mar. 31, 2012 `	Absolute Change	% Change
<u>Equity and Liabilities</u>				
(1) Shareholders Fund				
(a) Share Capital	30,00,000	40,00,000	10,00,000	33.33
(b) Reserves & Surplus	4,00,000	6,00,000	2,00,000	50
(2) Non Current Liabilities				
Long Term Borrowings	10,00,000	12,00,000	2,00,000	20
(3) Current Liabilities				
Trade Payables	6,00,000	2,00,000	(4,00,000)	(66.67)
Total	50,00,000	60,00,000	10,00,000	20
<u>Assets</u>				
(1) Non Current Assets				
(a) Fixed Assets				
(i) Tangible Assets	30,00,000	40,00,000	10,00,000	33.33
(ii) Intangible Assets	6,00,000	2,00,000	(4,00,000)	(66.67)
(2) Current Assets				
(a) Inventories	10,00,000	12,00,000	2,00,000	20
(b) Cash and Cash equivalents	4,00,000	6,00,000	2,00,000	50
Total	50,00,000	60,00,000	10,00,000	20

Total				
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**Common Size Balance Sheet**

Particulars	Mar. 31, 2011	Mar. 31, 2012	Common Size	
			2011	2012
Equity and Liabilities				
(1) Shareholders Fund				
(a) Share Capital	30,00,000	40,00,000	60	66.67
(b) Reserves & Surplus	4,00,000	6,00,000	8	10
(2) Non Current Liabilities				
Long Term Borrowings	10,00,000	12,00,000	20	20
(3) Current Liabilities				
Trade Payables	6,00,000	2,00,000	12	3.33
Total	50,00,000	60,00,000	100	100
Assets				
(1) Non Current Assets				
(a) Fixed Assets				
(i) Tangible Assets	30,00,000	40,00,000	60	66.67
(ii) Intangible Assets	6,00,000	2,00,000	12	3.33
(2) Current Assets				
(a) Inventories	10,00,000	12,00,000	20	20
(b) Cash and Cash equivalents	4,00,000	6,00,000	8	10
Total	50,00,000	60,00,000	100	100

9. From the following balance sheets, prepare comparative and common size balance sheet of D Ltd.:

Particulars	Note No.	2011-12	2010-11
<u>Equity and Liabilities</u>			
(1) Shareholders Fund			
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
<u>Assets</u>			
(1) Non Current Assets			
Fixed Assets			
(i) Tangible Assets		4,00,000	3,00,000
(2) Current Assets			
(a) Inventories		2,00,000	3,00,000
Total		6,00,000	6,00,000

**Solution:**

**Comparative Balance Sheet**

<i>Particulars</i>	<i>Mar. 31, 2011</i>	<i>Mar. 31, 2012</i>	<b>Absolute Change</b>	<b>% Change</b>
Equity and Liabilities				
(1) Shareholders Fund				
(a) Share Capital	3,00,000	3,50,000	50,000	16.67
(2) Non Current Liabilities				
Long Term Borrowings	2,00,000	1,00,000	(1,00,000)	(50)
(3) Current Liabilities				
Trade Payables	1,00,000	1,50,000	50,000	50
<b>Total</b>	<b>6,00,000</b>	<b>6,00,000</b>	<b>0</b>	<b>0</b>
Assets				
(1) Non Current Assets				
(a) Fixed Assets				
(i) Tangible Assets			1,00,000	33.33
(2) Current Assets	3,00,000	4,00,000		
(a) Inventories			(1,00,000)	(33.33)
<b>Total</b>	<b>3,00,000</b>	<b>2,00,000</b>		
	<b>6,00,000</b>	<b>6,00,000</b>	<b>0</b>	<b>0</b>

**Common Size Balance Sheet**

<i>Particulars</i>	<i>Mar. 31, 2011</i>	<i>Mar. 31, 2012</i>	<b>Common Size</b>	
			<b>2011</b>	<b>2012</b>
Equity and Liabilities				
(1) Shareholders Fund				
(a) Share Capital	3,00,000	3,50,000	50	58.33
(2) Non Current Liabilities				
Long Term Borrowings	2,00,000	1,00,000	33.33	16.67
(3) Current Liabilities				
Trade Payables	1,00,000	1,50,000	16.67	25
<b>Total</b>	<b>6,00,000</b>	<b>6,00,000</b>	<b>100</b>	<b>100</b>

Assets				
(1) Non Current Assets				
(a) Fixed Assets				
(i) Tangible Assets	3,00,000	4,00,000	50	66.67
(2) Current Assets				
(a) Inventories	3,00,000	2,00,000	50	33.33
Total	6,00,000	6,00,000	100	100

10. From the following balance sheets, prepare comparative and common size balance sheet of D Ltd.:

Particulars	Note No.	2010-11 `	2011-12 `
<u>Equity and Liabilities</u>			
(1) Shareholders Fund			
(a) Share Capital		9,00,000	7,50,000
(b) Reserves & Surplus		2,25,000	1,50,000
(2) Non Current Liabilities			
Long Term Borrowings		3,00,000	4,20,000
(3) Current Liabilities			
Trade Payables		5,55,000	5,85,000
Total		19,80,000	19,05,000
<u>Assets</u>			
(1) Non Current Assets			
(a) Fixed Assets			
(i) Tangible Assets		11,55,000	12,45,000
(2) Current Assets			
(a) Inventories		8,25,000	6,60,000
Total		19,80,000	19,05,000

**Solution:**

### Comparative Balance Sheet

Particulars	Mar. 31, 2011 `	Mar. 31, 2012 `	Absolute Change	% Change
<u>Equity and Liabilities</u>				
(1) Shareholders Fund				
(a) Share Capital	9,00,000	7,50,000	(1,50,000)	(16.67)
(b) Reserves & Surplus	2,25,000	1,50,000	(75,000)	(33.33)
(2) Non Current Liabilities				
Long Term Borrowings	3,00,000	4,20,000	1,20,000	40
(3) Current Liabilities				

Total	Trade Payables	5,55,000	5,85,000	30,000	5.41
Assets					
(1)	Non Current Assets				
(a)	Fixed Assets				
(i)	Tangible Assets				
(2)	Current Assets	19,80,000	19,05,000	75,000	3.79
(a)	Inventories				
Total					
		11,55,000	12,45,000	90,000	7.79
		8,25,000	6,60,000	(1,65,000)	20
		19,80,000	19,05,000	75,000	3.79

### Common Size Balance Sheet

Particulars	Mar. 31, 2011	Mar. 31, 2012	Common Size		
			2011	2012	
Equity and Liabilities					
(1)	Shareholders Fund				
(a)	Share Capital	9,00,000	7,50,000	45.45	39.37
(b)	Reserves & Surplus	2,25,000	1,50,000	11.36	7.87
(2)	Non Current Liabilities				
	Long Term Borrowings	3,00,000	4,20,000	15.15	22.05
(3)	Current Liabilities				
	Trade Payables	5,55,000	5,85,000	28.04	30.71
Total		19,80,000	19,05,000	100	100
Assets					
(1)	Non Current Assets				
(a)	Fixed Assets				
(i)	Tangible Assets	11,55,000	12,45,000	58.33	65.35
(2)	Current Assets				
(a)	Inventories	8,25,000	6,60,000	41.67	34.65
Total		19,80,000	19,05,000	100	100

11. From the following balance sheets, prepare comparative and common size balance sheet of D Ltd.:

Particulars	Note No.	2010-11	2011-12
<u>Equity and Liabilities</u>			

(1) Shareholders Fund			
(a) Share Capital		25,00,000	25,00,000
(b) Reserves & Surplus		5,00,000	6,00,000
(2) Non Current Liabilities			
Long Term Borrowings		15,00,000	15,00,000
(3) Current Liabilities			
Trade Payables		5,00,000	5,50,000
Total		50,00,000	51,50,000
<u>Assets</u>			
(1) Non Current Assets			
(a) Fixed Assets			
(i) Tangible Assets		30,00,000	36,00,000
(b) Non Current Investments		5,00,000	5,00,000
(2) Current Assets			
(a) Inventories		15,00,000	10,50,000
Total		50,00,000	51,50,000

**Solution:**

### Comparative Balance Sheet

<i>Particulars</i>	<i>Mar. 31, 2011</i>	<i>Mar. 31, 2012</i>	<b>Absolute Change</b>	<b>% Change</b>
Equity and Liabilities				
(1) Shareholders Fund				
(a) Share Capital	25,00,000	25,00,000	0	0
(b) Reserves & Surplus	5,00,000	6,00,000	1,00,000	20
(2) Non Current Liabilities				
Long Term Borrowings	15,00,000	15,00,000	0	0
(3) Current Liabilities				
Trade Payables	5,00,000	5,50,000	50,000	10
Total	50,00,000	51,50,000	1,50,000	3
Assets				
(1) Non Current Assets				
(a) Fixed Assets				
(i) Tangible Assets	30,00,000	36,00,000	6,00,000	20
(b) Non Current Investments	5,00,000	5,00,000	0	0
(2) Current Assets				
(a) Inventories	15,00,000	10,50,000	(4,50,000)	(3)
Total	50,00,000	51,50,000	1,50,000	3

### Common Size Balance Sheet

Particulars	Mar. 31, 2011	Mar. 31, 2012	Common Size	
			2011	2012
Equity and Liabilities				
(1) Shareholders Fund				
(a) Share Capital	25,00,000	25,00,000	50	48.54
(b) Reserves & Surplus	5,00,000	6,00,000	10	11.65
(2) Non Current Liabilities				
Long Term Borrowings	15,00,000	15,00,000	30	29.13
(3) Current Liabilities				
Trade Payables	5,00,000	5,50,000	10	10.68
<b>Total</b>	<b>50,00,000</b>	<b>51,50,000</b>	<b>100</b>	<b>100</b>
Assets				
(1) Non Current Assets				
(a) Fixed Assets				
(i) Tangible Assets	30,00,000	36,00,000	60	69.90
(b) Non Current Investments	5,00,000	5,00,000	10	9.71
(2) Current Assets				
(a) Inventories	15,00,000	10,50,000	30	20.39
<b>Total</b>	<b>50,00,000</b>	<b>51,50,000</b>	<b>100</b>	<b>100</b>

12. From the following balance sheets, prepare a Comparative and Common Size Balance Sheet of Asha Ltd. :

Particulars	Note No.	2012	2011
<b>1. Equity and Liabilities</b>			
<b>(1) Shareholders' funds</b>			
Share Capital		7,50,000	6,00,000
<b>(2) Current Liabilities</b>			
Trade Payables		2,00,000	2,50,000
<b>Total</b>		<b>9,50,000</b>	<b>8,50,000</b>
<b>II. Assets</b>			
<b>(1) Non-Current Assets</b>			
Fixed Assets			
(i) Tangible Assets		4,00,000	5,00,000
<b>(2) Current Assets</b>			
a) Inventories		1,00,000	1,00,000
b) Trade receivables		3,50,000	2,00,000
c) Cash and Cash Equivalents		1,00,000	50,000
<b>Total</b>		<b>9,50,000</b>	<b>8,50,000</b>



Solution:

### Comparative Balance Sheet

<i>Particulars</i>	<i>2011</i> `	<i>2012</i> `	<b>Absolute Change</b>	<b>% Change</b>
Equity and Liabilities				
(1) Shareholders Fund				
(a) Share Capital	6,00,000	7,50,000	1,50,000	25
(2) Current Liabilities				
Trade Payables	2,50,000	2,00,000	(50,000)	(20)
<b>Total</b>	<b>8,50,000</b>	<b>9,50,000</b>	<b>1,00,000</b>	<b>11.76</b>
Assets				
(1) Non Current Assets				
(a) Fixed Assets				
(i) Tangible Assets	5,00,000	4,00,000	(1,00,000)	(20)
(2) Current Assets				
a) Inventories	1,00,000	1,00,000	0	0
b) Trade receivables	2,00,000	3,50,000	1,50,000	75
c) Cash and Cash	50,000	1,00,000	50,000	100
Equivalents				
<b>Total</b>	<b>8,50,000</b>	<b>9,50,000</b>	<b>1,00,000</b>	<b>11.76</b>

### Common Size Balance Sheet

<i>Particulars</i>	<i>Mar. 31,</i> <i>2011</i> `	<i>Mar. 31,</i> <i>2012</i> `	<b>Common Size</b>	
			<b>2011</b>	<b>2012`</b>
Equity and Liabilities				
(1) Shareholders Fund				
(a) Share Capital	6,00,000	7,50,000	70.59	78.95
(2) Current Liabilities				
Trade Payables	2,50,000	2,00,000	29.41	21.05
<b>Total</b>	<b>8,50,000</b>	<b>9,50,000</b>	<b>100</b>	<b>100</b>
Assets				
(1) Non Current Assets				
(a) Fixed Assets				
(i) Tangible Assets	5,00,000	4,00,000	58.82	42.11
(2) Current Assets				
a) Inventories	1,00,000	1,00,000	11.76	10.53
b) Trade receivables	2,00,000	3,50,000	23.53	36.84
c) Cash and Cash	50,000	1,00,000	5.89	10.52

Equivalents	8,50,000	9,50,000	100	100
Total				

Values involved in Comparative Analysis and Common size statements—

**Critical analysis**

**Decision making**

**Scientific temperament**

**Transparency**

**Comparative financial information for interested parties**