

**Illustration 1.**

Prepare Comparative Balance Sheet of Swan Ltd. from the following Balance Sheet:

Particulars	Note No.	31st March, 2021 (₹)	31st March, 2020 (₹)
<b>I. EQUITY AND LIABILITIES</b>			
<b>1. Shareholders' Funds</b>			
(a) <i>Share Capital:</i>			
Equity Share Capital		3,60,000	3,00,000
(b) Reserves and Surplus		1,50,000	1,20,000
<b>2. Non-Current Liabilities</b>			
Long-term Borrowings		2,55,000	1,70,000
<b>3. Current Liabilities</b>			
Trade Payables		1,20,000	1,50,000
<b>Total</b>		8,85,000	7,40,000
<b>II. ASSETS</b>			
<b>1. Non-Current Assets</b>			
<i>Property, Plant and Equipment and Intangible Assets:</i>			
(i) Property, Plant and Equipment		6,50,000	5,00,000
(ii) Intangible Assets		1,00,000	1,00,000
<b>2. Current Assets</b>			
(a) Trade Receivables		1,25,000	1,20,000
(b) Cash and Cash Equivalents		10,000	20,000
<b>Total</b>		8,85,000	7,40,000

**Solution:**

COMPARATIVE BALANCE SHEET OF SWAN LTD. as at 31st March, 2020 and 2021

Particulars	Note No.	31st March, 2020 ₹	31st March, 2021 ₹	Absolute Change (Increase or Decrease) (₹)	Percentage Change (Increase or Decrease) (%)
		(A)	(B)	(C = B - A)	$\left(D = \frac{C}{A} \times 100\right)$
<b>I. EQUITY AND LIABILITIES</b>					
<b>1. Shareholders' Funds</b>					
(a) <i>Share Capital:</i>					
Equity Share Capital		3,00,000	3,60,000	60,000	20.00
(b) Reserves and Surplus		1,20,000	1,50,000	30,000	25.00
<b>2. Non-Current Liabilities</b>					
Long-term Borrowings		1,70,000	2,55,000	85,000	50.00
<b>3. Current Liabilities</b>					
Trade Payables		1,50,000	1,20,000	(30,000)	(20.00)
<b>Total</b>		7,40,000	8,85,000	1,45,000	19.60
<b>II. ASSETS</b>					
<b>1. Non-Current Assets</b>					
<i>Property, Plant and Equipment and Intangible Assets:</i>					
(i) Property, Plant and Equipment		5,00,000	6,50,000	1,50,000	30.00
(ii) Intangible Assets		1,00,000	1,00,000	...	...
<b>2. Current Assets</b>					
(a) Trade Receivables		1,20,000	1,25,000	5,000	4.17
(b) Cash and Cash Equivalents		20,000	10,000	(10,000)	(50.00)
<b>Total</b>		7,40,000	8,85,000	1,45,000	19.60

### Illustration 2.

Following is the Statement of Profit & Loss of Sun India Ltd. for the year ended 31st March, 2015:

Particulars	Note No.	31st March, 2015	31st March, 2014
Revenue from Operations		₹ 25,00,000	₹ 20,00,000
Other Income		₹ 1,00,000	₹ 5,00,000
Employee Benefit Expenses		60% of Total Revenue	50% of Total Revenue
Other Expenses		10% of Employee Benefit Expenses	20% of Employee Benefit Expenses
Tax Rate		50%	40%

The motto of Sun India Ltd. is to produce and supply green energy in the rural areas of India. It has also taken up a project of constructing a road that will pass through five villages, so that these villages could be connected to the nearby town. It will use the local resources and employ local people for construction of the road.

You are required to prepare a Comparative Statement of Profit & Loss of Sun India Ltd. from the given Statement of Profit & Loss. *(Delhi 2016, Modified)*

### Solution:

#### COMPARATIVE STATEMENT OF PROFIT & LOSS for the years ended 31st March, 2014 and 2015

Particulars	Note No.	31st March, 2014 (₹)	31st March, 2015 (₹)	Absolute Change (Increase or Decrease) (₹)	Percentage Change (Increase or Decrease) (%)
		(A)	(B)	(C = B - A)	$\left(D = \frac{C}{A} \times 100\right)$
I. Revenue from Operations		20,00,000	25,00,000	5,00,000	25.00
II. Add: Other Income		5,00,000	1,00,000	(4,00,000)	(80.00)
III. <b>Total Revenue (I + II)</b>		25,00,000	26,00,000	1,00,000	4.00
IV. <b>Expenses</b>					
(a) Employee Benefit Expenses		12,50,000	15,60,000	3,10,000	24.80
(b) Other Expenses		2,50,000	1,56,000	(94,000)	(37.60)
<b>Total Expenses</b>		15,00,000	17,16,000	2,16,000	14.40
V. <b>Profit before Tax (III - IV)</b>		10,00,000	8,84,000	(1,16,000)	(11.60)
VI. Less: Tax		4,00,000	4,42,000	42,000	10.50
VII. <b>Profit after Tax (V - VI)</b>		6,00,000	4,42,000	(1,58,000)	(26.33)

**Illustration 3.**

Prepare Comparative Statement of Profit & Loss from the following:

Particulars	Note No.	31st March, 2019	31st March, 2020
Revenue from Operations		₹ 30,00,000	₹ 20,00,000
Other Income (% of Revenue from Operations)		15%	20%
Expenses (% of Operating Revenue)		60%	50%

(CBSE Circular Acad. 43, Modified)

**Solution:**

COMPARATIVE STATEMENT OF PROFIT & LOSS  
for the years ended 31st March, 2019 and 2020

Particulars	Note No.	31st March, 2019	31st March, 2020	Absolute Change (Increase/Decrease)	Percentage Change (Increase/Decrease)
		₹	₹	₹	%
		(A)	(B)	(C = B – A)	$\left(D = \frac{C}{A} \times 100\right)$
I. Revenue from Operations		20,00,000	30,00,000	10,00,000	50.00
II. Other Income		4,00,000	4,50,000	50,000	12.50
III. <b>Total Revenue (I + II)</b>		24,00,000	34,50,000	10,50,000	43.75
IV. Expenses		10,00,000	18,00,000	8,00,000	80.00
V. <b>Profit before Tax (III – IV)</b>		14,00,000	16,50,000	2,50,000	17.86

**Illustration 4.**

From the following Statement of Profit and Loss of Star Ltd. for the years ended 31st March, 2012 and 2011, prepare Common-size Statement of Profit & Loss:

Particulars	31st March, 2012 (₹)	31st March, 2011 (₹)
Revenue from Operations	20,00,000	16,00,000
Employees Benefit Expenses	10,00,000	8,00,000
Other Expenses	1,00,000	2,00,000

(CBSE Circular Acad. 43)

**Solution:** COMMON-SIZE STATEMENT OF PROFIT & LOSS for the years ended 31st March, 2011 and 2012

Particulars	Note No.	Absolute Amounts		Percentage of Revenue from Operations	
		31st March, 2011 (₹)	31st March, 2012 (₹)	31st March, 2011 (%)	31st March, 2012 (%)
I. Revenue from Operations		16,00,000	20,00,000	100.00	100.00
II. Employees Benefit Expenses		8,00,000	10,00,000	50.00	50.00
III. Other Expenses		2,00,000	1,00,000	12.50	5.00
IV. Total Expenses (II + III)		10,00,000	11,00,000	62.50	55.00
V. <b>Profit before Tax (I – IV)</b>		6,00,000	9,00,000	37.50	45.00

**Illustration 5.**

From the following Balance Sheet of Star Ltd. as at 31st March, 2020, prepare Common-size Balance Sheet:

BALANCE SHEET as at 31st March, 2020

Particulars	Note No.	31st March, 2020 (₹)	31st March, 2019 (₹)
<b>I. EQUITY AND LIABILITIES</b>			
<b>1. Shareholders' Funds</b>			
(a) Share Capital		10,00,000	5,00,000
(b) Reserves and Surplus		2,00,000	3,00,000
<b>2. Non-Current Liabilities</b>			
Long-term Borrowings		8,00,000	5,00,000
<b>3. Current Liabilities</b>			
Trade Payables		4,00,000	2,00,000
<b>Total</b>		24,00,000	15,00,000
<b>II. ASSETS</b>			
<b>1. Non-Current Assets</b>			
Property, Plant and Equipment and Intangible Assets:			
—Property, Plant and Equipment		15,00,000	10,00,000
<b>2. Current Assets</b>			
Cash and Cash Equivalents		9,00,000	5,00,000
<b>Total</b>		24,00,000	15,00,000

**Solution:**

COMMON-SIZE BALANCE SHEET OF STAR LTD. as at 31st March, 2019 and 2020

Particulars	Note No.	Absolute Amounts		Percentage of Balance Sheet Total	
		31st March, 2019 (₹)	31st March, 2020 (₹)	31st March, 2019 (%)	31st March, 2020 (%)
<b>I. EQUITY AND LIABILITIES</b>					
<b>1. Shareholders' Funds</b>					
(a) Share Capital		5,00,000	10,00,000	33.33	41.67
(b) Reserves and Surplus		3,00,000	2,00,000	20.00	8.33
<b>2. Non-Current Liabilities</b>					
Long-term Borrowings		5,00,000	8,00,000	33.34	33.33
<b>3. Current Liabilities</b>					
Trade Payables		2,00,000	4,00,000	13.33	16.67
<b>Total</b>		15,00,000	24,00,000	100.00	100.00
<b>II. ASSETS</b>					
<b>1. Non-Current Assets</b>					
Property, Plant and Equipment and Intangible Assets:					
—Property, Plant and Equipment		10,00,000	15,00,000	66.67	62.50
<b>2. Current Assets</b>					
Cash and Cash Equivalents		5,00,000	9,00,000	33.33	37.50
<b>Total</b>		15,00,000	24,00,000	100.00	100.00

**Note:** % is calculated on the basis of total of equity and liabilities/total assets.

$$\text{ \% of Share Capital (31st March, 2019) } = \frac{\text{₹ 5,00,000}}{\text{₹ 15,00,000}} \times 100 = 33.33\%.$$

In the same manner, other percentages may be calculated.

**Illustration 6.**

From the following Statement of Profit & Loss of Star Ltd. for the years ended 31st March, 2019 and 2020, prepare Comparative Statement of Profit & Loss:

Particulars	Note No.	31st March, 2021 (₹)	31st March, 2020 (₹)
Revenue from Operations		20,00,000	16,00,000
Employees Benefit Expenses		10,00,000	8,00,000
Other Expenses		1,00,000	2,00,000

(CBSE Circular Acad. 43, Modified)

**Solution:**

COMPARATIVE STATEMENT OF PROFIT & LOSS for the years ended 31st March, 2020 and 2021

Particulars	Note No.	31st March, 2020	31st March, 2021	Absolute Change (Increase/Decrease)	Percentage Change (Increase/Decrease)
		₹	₹	₹	%
		(A)	(B)	(C = B - A)	$\left(D = \frac{C}{A} \times 100\right)$
I. Revenue from Operations		16,00,000	20,00,000	4,00,000	25.00
II. Expenses					
(a) Employees Benefit Expenses		8,00,000	10,00,000	2,00,000	25.00
(b) Other Expenses		2,00,000	1,00,000	(1,00,000)	(50.00)
III. Total Expenses		10,00,000	11,00,000	1,00,000	10.00
IV. <b>Profit before Tax (I - III)</b>		6,00,000	9,00,000	3,00,000	50.00

**Illustration 7.**

Prepare Comparative Statement of Profit & Loss from the following details:

Particulars	31st March, 2021	31st March, 2020
Revenue from Operations	₹ 30,00,000	₹ 20,00,000
Other Income (% of Revenue from Operations)	15%	20%
Expenses (% of Operating Revenue)	60%	50%
Tax Rate	30%	30%

**Solution:**

COMPARATIVE STATEMENT OF PROFIT & LOSS for the years ended 31st March, 2020 and 2021

Particulars	Note No.	31st March, 2020	31st March, 2021	Absolute Change (Increase/Decrease)	Percentage Change (Increase/Decrease)
		₹	₹	₹	%
		(A)	(B)	(C = B - A)	$\left(D = \frac{C}{A} \times 100\right)$
I. Revenue from Operations		20,00,000	30,00,000	10,00,000	50.00
II. Other Income (WN)		4,00,000	4,50,000	50,000	12.50
III. <b>Total Revenue (I + II)</b>		24,00,000	34,50,000	10,50,000	43.75
IV. <b>Expenses (WN)</b>		10,00,000	18,00,000	8,00,000	80.00
V. <b>Profit before Tax (III - IV)</b>		14,00,000	16,50,000	2,50,000	17.86
VI. Less: Tax		4,20,000	4,95,000	75,000	17.86
VII. <b>Profit after Tax (V - VI)</b>		9,80,000	11,55,000	1,75,000	17.86

**Working Note:**

Particulars	31st March, 2020 (₹)	31st March, 2021 (₹)
Other Income	₹ 20,00,000 × 20/100 = ₹ 4,00,000	₹ 30,00,000 × 15/100 = ₹ 4,50,000
Expenses	₹ 20,00,000 × 50/100 = ₹ 10,00,000	₹ 30,00,000 × 60/100 = ₹ 18,00,000

**Illustration 8.**

Prepare Common-size Balance Sheet for 31st March, 2019 and 2020 from the following Balance Sheet of Star Paints Limited:

BALANCE SHEET *as at 31st March, 2020*

Particulars	Note No.	31st March, 2020 (₹)	31st March, 2019 (₹)
<b>I. EQUITY AND LIABILITIES</b>			
<b>1. Shareholders' Funds</b>			
(a) Share Capital		2,74,000	2,74,000
(b) Reserves and Surplus		70,000	1,52,000
<b>2. Non-Current Liabilities</b>			
Long-term Borrowings	1	4,38,000	6,96,000
<b>3. Current Liabilities</b>			
(a) Short-term Borrowings (Secured Bank Overdraft)		50,000	1,25,000
(b) Trade Payables		20,000	1,00,000
(c) Other Current Liabilities		3,000	50,000
(d) Short-term Provisions		5,000	23,000
<b>Total</b>		8,60,000	14,20,000
<b>II. ASSETS</b>			
<b>1. Non-Current Assets</b>			
(a) <i>Property, Plant and Equipment and Intangible Assets:</i>			
—Property, Plant and Equipment		4,30,000	5,68,000
(b) Non-current Investments		4,000	6,000
<b>2. Current Assets</b>			
(a) Inventories		2,16,000	4,26,000
(b) Trade Receivables		1,40,000	3,30,000
(c) Cash and Cash Equivalents		65,000	80,000
(d) Other Current Assets	2	5,000	10,000
<b>Total</b>		8,60,000	14,20,000

**Notes to Accounts**

Particulars	31st March, 2020 (₹)	31st March, 2019 (₹)
<b>1. Long-term Borrowings</b>		
Bank Loan	2,32,000	1,00,000
9% Debentures	2,06,000	5,96,000
	4,38,000	6,96,000
<b>2. Other Current Assets</b>		
Prepaid Expenses	5,000	10,000

**Solution:**

COMMON-SIZE BALANCE SHEET OF STAR PAINTS LIMITED *as at 31st March, 2019 and 2020*

Particulars	Note No.	Absolute Amounts		Percentage of Balance Sheet Total	
		31st March, 2019 (₹)	31st March, 2020 (₹)	31st March, 2019 (%)	31st March, 2020 (%)
<b>I. EQUITY AND LIABILITIES</b>					
<b>1. Shareholders' Funds</b>					
(a) Share Capital		2,74,000	2,74,000	19.30	31.86
(b) Reserves and Surplus		1,52,000	70,000	10.70	8.14
<b>2. Non-Current Liabilities</b>					
Long-term Borrowings: (Bank Loan)		1,00,000	2,32,000	7.04	26.98
(9% Debentures)		5,96,000	2,06,000	41.97	23.95
<b>3. Current Liabilities and Provisions</b>		2,98,000	78,000	20.99	9.07
<b>Total</b>		14,20,000	8,60,000	100.00	100.00
<b>II. ASSETS</b>					
<b>1. Non-Current Assets</b>					
(a) Property, Plant and Equipment and Intangible Assets:					
—Property, Plant and Equipment		5,68,000	4,30,000	40.00	50.00
(b) Non-current Investments		6,000	4,000	0.42	0.46
<b>2. Current Assets</b>					
(a) Inventories		4,26,000	2,16,000	30.00	25.12
(b) Trade Receivables		3,30,000	1,40,000	23.24	16.28
(c) Cash and Cash Equivalents		80,000	65,000	5.64	7.56
(d) Other Current Assets (Prepaid Expenses)		10,000	5,000	0.70	0.58
<b>Total</b>		14,20,000	8,60,000	100.00	100.00

### Illustration 9.

From the following Statement of Profit & Loss of Suntrack Ltd. for the years ended 31st March, 2011 and 2012, prepare Comparative Statement of Profit and Loss:

Particulars	Note No.	2011-12 (₹)	2010-11 (₹)
Revenue from Operations		20,00,000	12,00,000
Other Income		12,00,000	9,00,000
Expenses		13,00,000	10,00,000

(Delhi 2013)

**Solution:**

COMPARATIVE STATEMENT OF PROFIT & LOSS for the years ended 31st March, 2011 and 2012

Particulars	Note No.	31st March, 2011 ₹	31st March, 2012 ₹	Absolute Change (Increase or Decrease) (₹)	Percentage Change (Increase or Decrease) (%)
I. Revenue from Operations		12,00,000	20,00,000	8,00,000	66.67
II. Other Income		9,00,000	12,00,000	3,00,000	33.33
III. <b>Total Revenue (I + II)</b>		21,00,000	32,00,000	11,00,000	52.38
IV. Expenses		10,00,000	13,00,000	3,00,000	30.00
V. <b>Profit before Tax (III – IV)</b>		11,00,000	19,00,000	8,00,000	72.73

**Illustration 10.**

Rearrange the following in the form of a Comparative Statement of Profit and Loss:

Particulars	31st March, 2021 (₹)	31st March, 2020 (₹)
Revenue from Operations (Net Sales)	9,60,000	8,00,000
Purchases of Stock-in-Trade	5,50,000	4,50,000
Change in Inventories of Stock-in-Trade	30,000	50,000
Other Expenses	2,65,000	2,40,000

**Solution:**

COMPARATIVE STATEMENT OF PROFIT AND LOSS  
for the years ended 31st March, 2020 and 2021

Particulars	Note No.	31st March, 2020 ₹	31st March, 2021 ₹	Absolute Change (Increase or Decrease) (₹)	Percentage Change (Increase or Decrease) (%)
I. Revenue from Operations (Net Sales)		8,00,000	9,60,000	1,60,000	20.00
II. <b>Expenses</b>					
(a) Purchases of Stock-in-Trade		4,50,000	5,50,000	1,00,000	22.22
(b) Change in Inventories of Stock-in-Trade		50,000	30,000	(20,000)	(40.00)
(c) Other Expenses		2,40,000	2,65,000	25,000	10.42
<b>Total Expenses</b>		7,40,000	8,45,000	1,05,000	14.19
III. <b>Profit before Tax (I – II)</b>		60,000	1,15,000	55,000	91.67

**Analysis and Comments:**

1. Revenue from Operations (Net Sales) has increased by 20%.
2. Purchases of Stock-in-Trade have increased by 22.22% and Change in Inventories of Stock-in-Trade has decreased by 40%.
3. Total Expenses have increased by 14.19%.
4. The overall impact is that Profit before Tax has increased by 91.67%.

**Note:** Analysis of Comparative Statement of Profit and Loss is not in Syllabus. It is given for better understanding.

**Illustration 11.**

Prepare Common-size Balance Sheet from the following information:

Particulars	31st March, 2020 (₹)	31st March, 2021 (₹)
Shareholders' Funds	12,00,000	18,00,000
Non-current Liabilities	6,00,000	6,00,000
Current Liabilities	2,00,000	6,00,000
Non-current Assets	14,00,000	21,00,000
Current Assets	6,00,000	9,00,000



**Solution:****COMMON-SIZE BALANCE SHEET***as at 31st March, 2020 and 2021*

Particulars	Note No.	Absolute Amounts		Percentage of Balance Sheet Total	
		31st March, 2020 (₹)	31st March, 2021 (₹)	31st March, 2020 (%)	31st March, 2021 (%)
<b>I. EQUITY AND LIABILITIES</b>					
1. Shareholders' Funds		12,00,000	18,00,000	60.00	60.00
2. Non-current Liabilities		6,00,000	6,00,000	30.00	20.00
3. Current Liabilities		2,00,000	6,00,000	10.00	20.00
<b>Total</b>		20,00,000	30,00,000	100.00	100.00
<b>II. ASSETS</b>					
1. Non-current Assets		14,00,000	21,00,000	70.00	70.00
2. Current Assets		6,00,000	9,00,000	30.00	30.00
<b>Total</b>		20,00,000	30,00,000	100.00	100.00