

MBA-I / Semester-II / Financial Management (2024-25)**Comprehensive Concurrent Evaluation****Faculty Name: Prof.Vandana Tripathi****Subject: Financial Management****Subject Code: 202**

Sr. No.	Component	Marks	Date of Exam/Submission
1	NISM Certification	50	1. Submit a report on the Certification Program in your own words by 13th Mar. 2. Share soft copy of report at vandanatripathi@dimr.edu.in 3. Attach Xerox of certificate.
2	Situation Analysis	50	15 th Mar 2025
3	Open Book test	50	As per Schedule

Important Instructions:

1. The subject is evaluated on the basis above 3 components.
2. Assignments to be submitted in person.
3. Student Name, Contact number, Email-id, Specialization, Component must be clearly mentioned.

Sr. No.	Component	Marks	Date of Exam/Submission
2	Situation analysis	50	15 th Mar 2025

Case Study I:

Financial Statement Analysis

Company Name: Infosys Limited

Industry: Information Technology (IT) Services

Location: India

Revenue (2024): ₹1,60,000 crore (approx.)

Employees: 350,000+

Situation:

Infosys has been experiencing stable growth, but there is growing competition in the global IT services industry. The company has made substantial investments in digital transformation and automation, but some external factors, such as fluctuating exchange rates and changes in technology demand, have posed risks to profitability. Given this situation, the management has decided to conduct a financial statement analysis to evaluate the company's performance and identify areas for improvement.

Objective:

The objective of this case study is to analyze Infosys's financial statements for the fiscal year ending March 31, 2024, in order to assess its financial health and performance. Based on this analysis, key recommendations will be provided to help the company manage its financial risks and improve profitability. Provide Analysis on below questions:

Step 1: Financial Statement Analysis

We begin by reviewing the key financial statements of Infosys for the fiscal year ending March 31, 2024, including the Income Statement, Balance Sheet, and Cash Flow Statement

Income Statement (2024) (in ₹ Crore):

Particulars		Amount in Cr.(Rs.)
Revenue		1,60,000
Less: Cost of goods sold		80,000
Gross profit		80,000
operating exp		35,000
Operating profit		45,000
Interest		1,500
Income before tax		43,500

Balance Sheet Statement (2024) (in ₹ Crore):

Particulars	Amount in Cr.(Rs.)
Total Current Assets:	40,000
Non-Current Assets:	70,000
Total assets	1,10,000
Equity	70000
Current Liability	30,000
Non-Current Liability	10,000
Total Current Liability	1,10,000

Question 1: Find Out the Key Financial Ratio.

Profitability Ratios

Liquidity Ratios

Leverage Ratios

Efficiency Ratios

Question 2: Analyze and comment on the Company profitability, liquidity, leverage and efficiency basis above financial ratios.

Question 3: Provide answers for below questions.

1. What is the significance of Infosys's profitability ratios (Gross Profit Margin, Operating Profit Margin, and Net Profit Margin)?
2. How does Infosys's liquidity position (Current Ratio and Quick Ratio) compare with industry standards?
3. What does the debt-to-equity ratio of 0.57 indicate about Infosys's capital structure?
4. What are the main takeaways regarding Infosys's financial performance from the asset turnover ratio of 1.45?

Case Study II:

Hindustan Unilever Limited (HUL)

Financial Statement Analysis

Company Name: Hindustan Unilever Limited (HUL)

Industry: Consumer Goods (FMCG)

Location: India

Revenue (2024): ₹56,000 crore (approx.)

Employees: 40,000+

Situation:

HUL is facing growing competition in the Indian FMCG sector. Increased raw material costs, particularly for palm oil and packaging, have squeezed profit margins. Additionally, changing consumer preferences and regulatory challenges are further complicating its operations. The management team wants to assess the financial health of the company for the year 2024 and make decisions that can help manage costs and enhance profitability.

To evaluate the financial health of the company and understand its cost structure, the management decides to use **Common Size Statement Analysis**, which converts the financial statements into percentages of key line items. This analysis will provide a better understanding of how each item contributes to the overall financial performance and allow for easy comparison with competitors in the industry.

Objective:

The objective of this case study is to perform a **Common Size Statement Analysis** of Hindustan Unilever's **Income Statement** and **Balance Sheet** for 2024 to understand its cost structure, profitability, and financial position.

Step 1: Common Size Statement Analysis

We will convert HUL's **Income Statement** and **Balance Sheet** for the year ending March 31, 2024, into common size statements.

Income Statement (2024) (in ₹ Crore):

Particulars	Amount in Cr.(Rs.)
Revenue	56,000
Less: Cost of goods sold	27,000
Gross profit	29,000
operating exp	18,000
EBIT	11,000
Interest	500
EBT	10,500
Tax	3,000
EAT	7,500

Balance Sheet (as of March 31, 2024) (in ₹ Crore):

Particulars	Amount in Cr.(Rs.)
Total Current Assets:	20,000
Non-Current Assets:	36,000
Total assets	56,000
Equity	31,000
Current Liability	15,000
Non-Current Liability	10,000
Total Current Liability	56,000

Question 1: Convert HUL's **Income Statement** and **Balance Sheet** for the year ending March 31, 2024, into common size statements.

Question 2: Prepare a common size statement of income statement.

Question 3: Prepare a common size statement of the balance sheet statement.

Question 4: Analyze and comment on the Company financial condition.

Question 5: Provide answers for below questions.

1. What is the significance of converting the income statement and balance sheet into common size statements
2. What does the gross profit margin of 51.79% indicate about HUL's cost management
3. Why is the operating profit margin (19.64%) important, and how does it reflect the company's operational efficiency
4. What does HUL's interest expense (0.89% of revenue) reveal about its reliance on debt financing?
5. How does the net profit margin of 13.39% reflect HUL's overall profitability?
6. How does HUL's proportion of current assets (35.71%) and non-current assets (64.29%) indicate its asset structure?
7. What does the proportion of current liabilities (26.79%) and non-current liabilities (17.86%) tell us about HUL's financial leverage and risk?
8. How does the equity percentage (55.36%) of total liabilities and equity reflect HUL's financial stability?
9. Based on the common size analysis, what recommendations can be made to improve HUL's financial performance