MANAC1 Assignment 3 Group 10

1.
Change in owner's equity = Total Revenue – (Total Expenditure + Dividends Paid)

Year	**Change in owner's equity (in Rs. Cr)**	**Total Revenue (A) (in Rs. Cr)**	**Total Expenditure (B) (in Rs. Cr)**	**Dividends paid (C) (in Rs. Cr)**	**A-(B+C) (in Rs. Cr)**
2012-13	0.9	152.05	151.47	0	0.9
2013-14	1.35	215.06	213.71	0	1.35

- The company is not paying out any dividends.
- Change in shareholder's equity is less than 1% of revenue in both years.
- Balance sheet items match with profit and loss statement items.

2.

	Major Revenue Items	**Amount (in Rs. Cr)**	**Proportion**
1.	Sales of products (net)	213.75	99.39%
2.	Other operating revenue	1.01	0.47%
3.	Other income	0.3	0.14%
	Total income	215.06	
	Major Expenditure Items	**Amount (in Rs. Cr)**	**Proportion**
1.	Cost of materials consumed	90.32	42.26%
2.	Cost of traded goods purchased	79.26	37.09%
3.	Other expenses	19.53	9.14%
4.	Employee benefit expense	9.08	4.25%
5.	Finance costs	7.57	3.54%
	Total expenses	213.71	

- The revenue from product sale is the only significant source of revenue for the company.
- Cost of raw materials and the cost of traded goods is almost similar. These two items have a share of 79.35% in total expenditure.
- The company spends a significant 4.25% on employee benefit programs.

3.
Question from Case #1 - Should the food and drinks while driving expense be a part of the Profit and Loss statement of the business? Since he's consuming the food and drinks during his business, it would seem so but then the food and drinks are for his personal well-being and not really a part of the company.

Question from Case #3 - Infosys has a Marketing expense. Blue Dart and Colgate-Palmolive have advertising expenses. So when is Marketing/Advertising considered an asset (if at all) and when is it considered to be an expense?

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