


Name:			
Enrolment No:			
UPES End Semester Examination, May 2023 Course: FINANCIAL STATEMENT ANALYSIS AND REPORTING Semester: IV Program: INT-B.COM-MBA Course Code: FINC 2081			
		Time: 03 hrs.	Max. Marks: 100
Instructions:			
SECTION A 10Qx2M=20Marks			
S. No.		Marks	CO
Q 1	Out of all following four options, which is the most suitable with reference to a key feature of cash flow (a) Cash flow helps in showing the increase as well as a decrease in the cash (b) Cash flow has three significant sections such as liabilities, assets and shareholders' equity (c) Cash flow helps in showing the expenses as well as revenue of the business (d) Cash flow can be used for showing the businesses' financial position	2	CO1
Q 2	Depreciation is calculated from the date of (a) Purchases of assets (b) Receipts of Assets at business premises (c) Assets put to use (d) Assets installed.	2	CO1
Q 3	What do we understand from financial statements? (a) A group of reports regarding the organization's various financial aspects. (b) A group of reports regarding the employee's data. (c) A collection of reports pertaining to the organization's vision and mission. (d) None of the above	2	CO1
Q 4	Which of the following is a disadvantage of the financial statements. (a) The ability to tell if a business would be able to pay the debts (b) Determining the sources and use of cash in the organization (c) Chance of manipulation in the report for obtaining debt that the organization cannot payback	2	CO1

	(d) A yearly report that the investors can refer to		
Q 5	<p>What does a balance sheet indicate out of the following options</p> <p>(a) The demographic details of the employees</p> <p>(b) The overall organization's liabilities, assets as well as stockholders' equity</p> <p>(c) The report regarding the weekly work progress of the organization</p> <p>(d) None of the above</p>	2	CO1
Q 6	<p>Which of the following is not a part of the financial reports of the organization</p> <p>(a) Balance sheet</p> <p>(b) Income statements</p> <p>(c) Report with the vision and mission of the organization</p> <p>(d) Report regarding the flow of cash</p>	2	CO1
Q 7	<p>Which of the following can be a part of financial reports?</p> <p>(a) The report regarding the financial result of the organization</p> <p>(b) The report with details about the financial position of the organization</p> <p>(c) The report regarding the flow of cash of the organization</p> <p>(d) All of the above</p>	2	CO1
Q 8	<p>Which of the following is the most suitable statement for explaining the statement of cash flows</p> <p>(a) Report regarding the assets, equity and liabilities</p> <p>(b) Report explaining the purpose of business</p> <p>(c) Report regarding the changes in the flow of cash for a particular time</p> <p>(d) Report regarding the working and functioning of the organization</p>	2	CO1
Q 9	<p>What are the limitations of the financial statements</p> <p>(a) There can be subjective interpretations of the financial statements as per the investors</p> <p>(b) There may be manipulation done in the financial statements such that the real profit-loss of the organization is not shown to the investors</p> <p>(c) The financial statements give a detailed description of the cash flow of the organization</p> <p>(d) Both A and B</p>	2	CO1
Q 10	Which of the following can be called very important in terms of the financial statements	2	CO1

	(a) The report regarding ethics of the organization (b) The list of holidays in the organization (c) Cash flow statement, balance sheet and the income statement (d) List of investors for the organization										
SECTION B 4Qx5M= 20 Marks											
Q 11	Distinguish between straight line method and written down value method of providing depreciation.	5	CO2								
Q 12	What are Accounting Cycles?	5	CO2								
Q 13	What are comparative and common-size statements?	5	CO2								
Q 14	What are the uses of financial analysis?	5	CO2								
SECTION-C 3Qx10M=30 Marks											
Q 15	Depreciation may be defined as the permanent and continuing diminution in the quality, quantity or the value of an asset. Considering the above statement define depreciation and what is the need of providing depreciation	10	CO2								
Q 16	<i>Accounting concepts can be described as something which signifies a general notion regarding accounting principles. These concepts are so basic that most accountants do not consciously think of them; they are regarded as being self-evident, obvious, to be taken for granted.</i> With respect to the above statement describe Accounting Concepts. Mention any two concepts.	10	CO2								
Q 17	On 1 st April, 2008, a company purchased a Machinery for Rs.10,000 and spent Rs.2,000 on its erection. On 1 st October, 2010, it purchased a second Machine for Rs.4,000. The machine purchased on 1 st October, 2010 was sold on 1 st April, 2012 for Rs.4,600. The depreciation is provided @ 10% p.a. on diminishing balance method by the company. Prepare the Machinery Account from 1 st April, 2008 to 31 st March, 2013.	10	CO3								
SECTION-D 2Qx15M= 30 Marks											
Q 18	The Financial Position of Richa Ltd. was as under:	15	CO4								
	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 40%;">Particulars</th> <th style="width: 10%;">Notes</th> <th style="width: 15%;">31.03.15</th> <th style="width: 15%;">31.03.14</th> </tr> </thead> <tbody> <tr> <td> </td> <td> </td> <td> </td> <td> </td> </tr> </tbody> </table>	Particulars	Notes	31.03.15	31.03.14						
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I. Equity and Liabilities:			
1. Shareholders' Funds:			
Equity Share Capital		2,00,000	1,60,000
General Reserve		40,000	30,000
Statement of Profit and Loss		20,000	12,000
2. Non - Current Liabilities:			
Debentures		40,000	Nil
3. Current Liabilities:			
Trade Payables (Creditors)		1,40,000	1,64,000
Provision for Taxation		20,000	14,000
Proposed Dividend		40,000	20,000
Total (1+2+3)		5,00,000	4,00,000
II. Assets:			
1. Non-Current Assets			
Plant and Machinery		1,40,000	1,00,000
Investments		20,000	Nil
Building		1,20,000	80,000
1. Current Assets:			
Inventory (Stock)		80,000	40,000

	Trade Receivables (Sundry Debtors)		1,00,000	1,40,000		
	Bank		40,000	40,000		
	Total (1+2)		5,00,000	4,00,000		
	Additional Information:					
	(i) Depreciation @ 25% was charged on the opening value of Plant and Machinery.					
	(ii) Building under construction was not subject to any depreciation.					
	(iii) Rs. 10,000 was paid as Income Tax during the year.					
	(iv) An old machine costing Rs. 10,000 (W.D.V. Rs. 4,000) was sold for Rs. 7,000.					
	You are required to prepare cash flow statement.					
Q 19	From the following information relating to Ashish Ltd., prepare a Balance Sheet as on 31.03.2015:					
	(i)	Current Ratio	2.5			
	(ii)	Liquid Ratio	1.5			
	(iii)	Net Working Capital	Rs.3,00,000			
	(iv)	Cost of Sales/ Closing Stock	8 times			
	(v)	Gross Profit Ratio	20%			
	(vi)	Average Collection Period	1.5 months			
	(vii)	Fixed Assets/Net Worth	0.75			
	(viii)	Reserve and Surplus/Share Capital	0.50			
	(ix)	Share Capital	Rs.8,00,000			
					15	CO4