

AR19

Code: 19MBA1003

SET-2

**ADITYA INSTITUTE OF TECHNOLOGY AND MANAGEMENT, TEKKALI
(AUTONOMOUS)**

I MBA I Semester Regular/Supplementary Examinations, May, 2022

FINANCIAL STATEMENT ANALYSIS & REPORTING

Time: 3 Hrs

Max. Marks: 60

**Answer any Five questions
All questions carry EQUAL marks
Question No. 8 is Compulsory**

1. a) Define accounting. Explain its objectives. 6M
b) State the standards issued by accounting standards board so far in India. 6M
2. a) Classify the accounts with examples? 6M
b) Explain the rules of debit and credit with respect of different types of accounts. 6M
3. a) What is Financial statement analysis? Explain its importance. 6M
b) Compare between comparative financial statement and common size financial statement. 6M
4. What is ratio Analysis? Explain different types of ratios in detail. 12M
5. What is financial reporting? How do you analyse published financial statements of a company. 12M
6. From the following balance sheets of Gudivada Ltd., you are requiring to prepare funds flow statement. 12M

Liability	2017	2018	Assets	2017	2018
Share capital	70,000	74,000	Cash	9,000	7,800
Debenture	12,000	6,000	Debtors	14,900	17,700
Provision for bad debts	700	800	Stock	49,200	42,700
Creditors	10,360	11,840	Land	20,000	30,000
P&L A/c	10,040	10,560	Goodwill	10,000	5,000
	1,03,100	103,200		1,03,100	1,03,200

Additional information:

- a) Dividend Paid Rs. 3,500
- b) Land is purchased during the year Rs. 10,000

7. From the following balance sheet of Y Ltd, calculate different turnover ratios: 12M

Liabilities	Rs.	Assets	Rs.
Equity share capitl	6,00,000	Fixed assets	6,50,000
General reserves	2,50,000	Stock	2,25,000
8% Debentures	1,50,000	Debtors	2,75,000
Creditors	2,00,000	Cash at bank	50,000
	12,00,000		12,00,000

Given capital turnover ratio is 1.5 times

8. **CASE STUDY:**

From the following trial balances of Shukla prepare trading and profit and loss a/c for the year ending 31st March 2019 and balance sheet as on that date. 12M

Particulars	Dr. Rs	Cr. Rs
Buildings	20,000	
Capital a/c		60,000
Purchases and sales	10,000	30,000
Opening stock	5,000	
Debtors and creditors	12,000	6,000
Drawings a/c	4,000	
Sales returns and purchases return	2,000	500
Freight	2,500	
Office salaries	8,000	
Wages	1,500	
Postages and telegram	1,000	
Machinery	15,000	
Bills receivables and payables	8,000	2,000
Advertisement	2,000	
Cash in hand	3,500	
Loose tools	4,000	
	98,500	98,500

Additional Information:

- Closing stock was valued at Rs. 6,000
- Depreciation buildings by 10% and loose tools are revalued at Rs. 3,500
- Interest on capital at 10% and on drawings at 5%.