

# AR19

Code: 19MBA1003

**SET-2**

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

**I MBA I Semester Regular & Supplementary Examinations, August-2021**

## **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. What is Accounting Standard? Explain different Indian accounting standards.
2. From the following information relating to Moonlight Ltd, prepare a Balance sheet on 31<sup>st</sup> December 1997.  
Current Ratio 2.5  
Liquidity ratio 1.5  
Net working capital Rs. 3,00,000  
Cost of sales/closing stock 8 times  
Gross profit ratio 25%  
Average debt collection period 1.5 months  
Fixed assets/shareholders networth 0.75  
Reserves and Surplus/share capital 0.50

3. Balance sheet of Star Ltd for the years that ended on 31<sup>st</sup> December 2006 and 31<sup>st</sup> December 2007 are as follows:

Liabilities	31.3.2006 (Rs.)	31.3.2007 (Rs.)	Assets	31.3.2006 (Rs.)	31.3.2007 (Rs.)
Equity Share Capital	8,00,000	8,00,000	Buildings	6,00,000	5,40,000
10% preference share capital	6,00,000	6,00,000	Land	2,00,000	2,00,000
General Reserve	4,00,000	4,90,000	Plant	6,00,000	5,40,000
15% debentures	2,00,000	3,00,000	Furniture	2,00,000	2,80,000
Creditors	3,00,000	4,00,000	Stock	4,00,000	6,00,000
Bills payables	1,00,000	1,50,000	Debtors	4,00,000	6,00,000
Tax payable	2,00,000	3,00,000	Cash	2,00,000	2,80,000
	26,00,000	30,40,000		26,00,000	30,40,000

Prepare a comparative balance sheet and offer your comments on financial performance.

4. Discuss various methods of financial statement analysis.
5. What is trend analysis? Explain its advantages and disadvantages.
6. Define cash flow statement. What are its uses? What are the different sources and applications of fund?
7. How will you analyse published financial statements of a company?

8. **CASE STUDY:**

From the following trial balance of Mr.Y for the year ending 31.3.2000 and additional information given, prepare, trading and profit and loss account and balance sheet as at that date:

Particulars	Dr (Rs.)	Cr. (Rs.)
Opening stock	1,00,000	
Capital		9,00,000
Debtors and creditors	1,20,000	70,000
Purchases and sales	8,00,000	14,00,000
Returns	30,000	20,000
Carriage	16,000	
Wages and salaries	50,000	
Commission		26,000
Machinery	1,60,000	
Furniture	40,000	
Bad debts	16,000	
Provision for doubtful debts		20,000
Bills receivables and payables	60,000	14,000
Land and Buildings	8,00,000	
Taxes and Insurance	34,000	
Discount allowed	24,000	
Bank	1,00,000	
Drawings	1,00,000	
	24,50,000	24,50,000

Additional Information:

1. Value of the closing stock as on 31.3.2000 is Rs. 80,000
  2. Insurance paid is Rs, 4,000 wages and salaries outstanding is Rs 2,000
  3. Provide for doubtful debts on the debtors at 10%
  4. Depreciation of machinery and furniture at 10% and 5% respectively.
- Goods of value of Rs. 10,000 were taken by the proprietor for his own use but no entry was made in the books of account.

# AR17

**Code: 17MBA1003**

**SET-I**

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

**I MBA I Semester Supplementary Examinations, August-2021**

## **FINANCIAL ACCOUNTING AND ANALYSIS**

**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 importance 6M  
b) Explain elaborately concepts and conventions in accounting. 6M
2. a) Discuss about subsidiary books and explain its advantages 6M  
b) Explain the classification of capital and revenue expenses 6M
3. a) Define Trial balance. Explain various types of errors in trial balance 6M  
b) Distinguish between book keeping and Accounting. Enumerate the Significance of Journal 6M
4. a) Define depreciation. Explain its methods 6M  
b) Define inventory. Explain various methods in valuation of inventory 6M
5. a) Define debenture. Distinguish between debenture and share 6M  
b) Explain the concept of forfeiture. Write an entry with suitable illustration. 6M
6. a) Explain the concept of amalgamation, absorption and reconstruction 6M  
b) Define funds flow statement. Explain its importance 6M

7. a) Distinguish between funds flow and cash flow statements. 6M  
 b) Stock Velocity 6 times 6M  
 Capital Turnover Ratio 2 times  
 Fixed Assets Turnover 4 times  
 Gross Profit Turnover Ratio 20%  
 Debtors Velocity 2 months  
 Creditors Velocity 73 days  
 The gross profit was Rs.60, 000. Reserve & Surplus amounts to Rs.20, 000. Closing stock was Rs.5, 000 in excess of opening stock.

8. CASE STUDY: 12M  
 From the following Trial balance of M/s Ram & Sons, prepare trading and Profit and loss account for the year ending 31<sup>st</sup> March, 2012 and the Balance sheet as on that date:

Particulars	Debit-Rs.	Credit-Rs.
Purchases	21750	
Discount allowed	1300	
Wage	6500	
Salaries	2000	
Sales		35000
Travelling Expenses	400	
Commission	425	
Carriage inward	275	
Administration expenses	105	
Trade expenses	600	
Interest	250	
Building	5000	
Furniture	200	
Debtors	4250	
Capital		13000
Creditors		2100
Cash	7045	
Total	50100	50100

Stock on 31<sup>st</sup> March, 2012 was Rs.6,000. Depreciate buildings by 20%, create a provision for bad debts at 10% on debtors, outstanding wages Rs.475/-.