

AR19

Code: 19MBA1003

SET-I

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

I MBA I Semester Regular Examinations, December-2019

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. Define Accounting. Explain various accounting concepts and conventions.

2. From the following information prepare a balance sheet

Current ratio 1.5
Quick Ratio 1.25
GP Ratio 25%
Stock Turnover Ratio 9 times
Debtor's Turnover Ratio 1.5 months
Turnover of Fixed assets 1.2
Capital gearing ratio 0.375
Reserves to share capital 0.25
Fixed Assets to Networth 1.25
Sales Rs. 24,00,000

3. From the balance sheet of Rawdon Ltd as on 31st March 2008 and 31st March 2009.

Liabilities	31st March 2008 (Rs.)	31st March 2009 (Rs.)	Assets	31st March 2008 (Rs.)	31st March 2009 (Rs.)
Equity Share capital	2,50,000	4,00,000	Fixed Assets	5,00,000	7,00,000
Reserves and Surplus	1,25,000	2,00,000	Investments	20,000	50,000
Secured Loans	2,50,000	3,50,000	Stock	3,00,000	2,00,000
Current Liabilities	2,75,000	50,000	Debtors	50,000	20,000
			Other Current Assets	30,000	30,000
	9,00,000	10,00,000		9,00,000	10,00,000

Prepare a comparative balance sheet and interpret the financial position of the company.

4. What is ratio Analysis? Explain various types of ratios.
5. What do you mean by funds from operations? Explain its advantages and disadvantages.
6. What is financial reporting? Explain financial reporting practices in India.
7. What is financial statement analysis? Explain its objectives.

8. **CASE STUDY:**

From the following Trial balance of Ram Gopal and Sons, on 31st March, 2015, prepare Trading and Profit and Loss A/c for the year ending 31st March 2015

Particulars	Dr. (Amount) Rs.	Cr. (Amount) Rs.
Capital	-	3,50,000
Drawings	25,000	
Plant and Machinery	1,50,000	
Debtors and Creditors	90,000	4,0000
Returns	10,000	12,000
Discount	5,000	4,000
Commission	8,000	
Interest on Bank loan	22,000	
Furniture	34,000	
Provision for Doubtful debts	-	12,000
Wages	48,000	
Salaries	60,000	
Advertisements	15,000	
Taxes and Insurance	12,000	
Purchases and Sales	2,40,000	4,80,000
Stock (as on 31.3.2005)	50,000	
Carriage	12,000	
Land and Buildings	3,00,000	
Cash in Hand	12,000	
Cash at Bank	25,000	
10% Bank loan (as on 1.4.2014)	-	2,20,000

Additional Information:

1. Stock was valued at Rs. 46,000 as on 31.3.2015.
2. Wages and salaries were outstanding Rs. 5,000 and Rs. 4,000 respectively on 31.3.2015
3. Depreciate plant and Machinery; Plant and Buildings; and Furniture at 15%, 2.5% and 15% respectively.
4. Provide for doubtful debts at 10% on debts.

AR17

Code: 17MBA1003

SET-2

ADITYA INSTITUTE OF TECHNOLOGY AND MANAGEMENT, TEKKALI
(AUTONOMOUS)

I MBA I Semester Supplementary Examinations, December-2019
FINANCIAL ACCOUNTING AND ANALYSIS

Time: 3 Hrs

Max. Marks: 60

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

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|----|----|--|-----|
| 1. | a) | Explain the functions and objectives of financial accounting | 6M |
| | b) | Explain various users of accounting information. | 6M |
| 2. | a) | Explain various types of subsidiary books in accounting system | 6M |
| | b) | Critically examine the significance of Double Entry System of Accounting. | 6M |
| 3. | a) | Distinguish between capital and revenue items and state their relevance in preparation and presentation of two financial statements. | 6M |
| | b) | Define Depreciation. Explain its methods. | 6M |
| 4. | a) | Distinguish between P&L Account and Balance Sheet | 6M |
| | b) | For the year ended March 31, 2005 for Nirmal & Co., the cost of goods sold were Rs.7,14,800; sales Rs.8,42,000, closing stock Rs.34,800. Calculate Gross Profit. | 6M |
| 5. | a) | Define share. Explain issue of shares at par, premium and discount | 6M |
| | b) | Define debenture. Explain the classification and issue and redemption of debentures | 6M |
| 6. | a) | Define funds flow statement. Explain the schedule of changes in working capital | 6M |
| | b) | Distinguish between funds flow and cash flow statement. | 6M |
| 7. | | Discuss various ratios used in analyzing financial statements. Explain its significance and interpretation of financial statements. | 12M |

8.

CASE STUDY:

12M

From the following Trial Balance of Sri Balaji you are required to prepare Trading and Profit and Loss Account for the year ending 31st March 2012 and a Balance sheet as on that data:

Particulars	Debit- Rs.	Credit-Rs.
Cash in hand	1000	
Stock	3500	
Creditors		3900
Debtors	19200	
Drawings	5130	
Sales		92800
Purchases	81200	
Wages	7200	
General expenses	5170	
Furniture	4000	
Goodwill	3000	
Capital		32700
Total	129400	129400

Closing stock was valued at Rs.4,500, Depreciate furniture by 10%, outstanding wage Rs.1,000/-, Interest on capital is 5%.