



	WINTER-2023		
	Exam Seat No.:		
	Academic Year:2023-2024	Semester:III	
	Name of Programme:MBA	Pattern:2022	
	Name of Course:Financial Statement Analysis and Reporting	Course Code:MBA22 3 2 08	
	Max. Marks:30	Duration:1.25	
	Instructions: Candidates should read carefully the instructions printed on the Question Paper and on the cover page of the Answer Book, which is provided for their use. 1. This question paper contains 7 (Seven) pages. 2. Answer to each new question is to be started on a new page. 3. Assume suitable data wherever required but justify it. 4. Draw the neat, labelled diagrams, wherever necessary. 5. The last column indicates the Course Outcome and level of Blooms Taxonomy of the Question/sub-question.		

Question No. 1 Attempt following Question

- 1 a) State and explain the Liquidity Ratios while analyzing the financial statements. (6) CO2

OR

- 1 b) State and explain the Leverage Ratios while analyzing the financial statements. (6) CO2

Question No. 2 Attempt following Question

- 2 a) From the following information, Prepare Cash Flow Statement (6) CO4

	Current Year	Previous Year
Equity and Liabilities		
<u>Shareholders Fund</u>		
Share Capital	1200000	1000000
Reserve and Surplus	450000	250000
<u>Non- Current Liabilities</u>		
Long Term Borrowings	750000	500000
<u>Current Liabilities</u>		
Trade Payables	150000	100000
Other Current Liabilities	20000	10000

	2570000	1860000
Total		
Assets		
<u>Non-Current Assets</u>		
Plant and Equipment	450000	500000
Non-Current Investments	600000	0
<u>Current Assets</u>		
Inventory	800000	720000
Trade Receivables	450000	540000
Cash and Cash Equivalent	270000	100000
Total	2570000	1860000

Additional Information-

- Interim Dividend Paid during the year Rs.15000/-
- Machinery costing Rs.10000, sold for Rs.7500/-
- Depreciation for the year Rs.40000/-

OR

2 b) From the following information, Prepare Fund Flow Statement

(6) CO4

	Current Year	Previous Year
Equity and Liabilities		
<u>Shareholders Fund</u>		
Share Capital	2000000	1500000
Reserve and Surplus	750000	450000
<u>Non-Current Liabilities</u>		
Long Term Borrowings	1500000	1000000
<u>Current Liabilities</u>		
Trade Payables	750000	950000
Other Current Liabilities	80000	90000
Total	5080000	3990000
Assets		
<u>Non-Current Assets</u>		
Plant and Equipment	3050000	3200000
Non-Current Investments	600000	400000

<u>Current Assets</u>		
Inventory	530000	300000
Trade Receivables	700000	60000
Cash and Cash Equivalent	200000	30000
Total	5080000	3990000

Additional Information-

- Profit for the year Rs.300000/-
- Depreciation for the year Rs.100000/-
- Machinery, costing Rs.50000/-, sold for Rs.75000/-

Question No. 3 Attempt following Question

3 a)

Income Statement	
Particulars	Amount
Cash Sales	32000
Credit Sales	342000
Total Sales	374000
Cost of Sales	298000
Operating Profit	76000
Administrative Expenses	19000
Selling Expenses	14000
Profit	43000

(6) CO4

Balance Sheet			
Liabilities	Amount	Assets	Amount
Share Capital	75000	Fixed Assets	40000
Reserve and Surplus	42000		
Debentures	3000	Receivables	82000
Payables	76000	Inventory	94000
		Cash	7000
Total	223000	Total	223000

Analyse the financial statements with help of following ratios

1. Operating Profit Ratio
2. Net Profit Ratio
3. Current Ratio
4. Average Collection Period (Receivable Ratio)

OR

3 b)

Income Statement	
Particulars	Amount
Revenue	175000
Cost of Sales	85000
Operating Profit	90000
Administrative Expenses	15000
Selling Expenses	7500
EBIDTA	67500
Depreciation	17000
Finance Cost	15000

(6) CO4

PBT	35500
Provision for Tax	18000
PAT	17500

Other Information-

- Share Capital Rs.1000000/-, 100000 shares of Rs.10/- each
- Shareholders Fund Rs.1050000/-
- Debt Fund Rs.750000/-

Analyse the financial statement with the help of following ratios

- Operating Profit Ratio
- EPS
- Interest Coverage Ratio
- Return on Capital Employed

Question No. 4 Attempt following Question

4 a)		Current Year	Previous Year	(6) CO3
	Equity and Liabilities			
	<u>Shareholders Fund</u>			
	Share Capital	5000000	5000000	
	Reserve and Surplus	1580000	1270000	
	<u>Non-Current Liabilities</u>			
	Long Term Borrowings	800000	700000	
	<u>Current Liabilities</u>			
	Trade Payables	750000	640000	
	Other Current Liabilities	270000	490000	
	Total	8400000	8100000	
	Assets			
	<u>Non-Current Assets</u>			
	Plant and Equipment	4580000	4800000	
	Non-Current Investments	200000	100000	
	<u>Current Assets</u>			

Inventory	1920000	2010000
Trade Receivables	440000	190000
Cash and Cash Equivalent	1260000	1000000
Total	8400000	8100000

Net profit for the year, after charging depreciation Rs.180000/-, is Rs.310000/-.

Prepare Cash Flow Statement

OR

4 b) You are required to prepare Fund Flow Statement from the following information-

(6) CO3

	Current Year	Previous Year
Equity and Liabilities		
<u>Shareholders Fund</u>		
Share Capital	2500000	2000000
Reserve and Surplus	580000	450000
<u>Non Current Liabilities</u>		
Long Term Borrowings	700000	500000
<u>Current Liabilities</u>		
Trade Payables	150000	240000
Other Current Liabilities	170000	210000
Total	4100000	3400000
Assets		
<u>Non-Current Assets</u>		
Plant and Equipments	1800000	2000000
Non-Current Investments	150000	100000
<u>Current Assets</u>		
Inventory	1750000	1150000
Trade Receivables	200000	100000
Cash and Cash Equivalent	200000	50000
Total	4100000	3400000

Additional Information-

1. Net profit for the year is Rs.130000/-
2. Investment, costing Rs.50000/-, sold for Rs.70000/-

Question No. 5 Attempt following Question

- 5 a) Explain the users and their roles in evaluation of the financial statements. (6) CO2

OR

- 5 b) Explain the fundamental accounting assumptions to the financial statements. (6) CO2