



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	

<p><b>Instructions:</b> 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.</p> <ol style="list-style-type: none"><li>1. This question paper contains 7 (Seven) pages.</li><li>2. Answer to each new question is to be started on a new page.</li><li>3. Assume suitable data wherever required but justify it.</li><li>4. Draw the neat, labelled diagrams, wherever necessary.</li><li>5. The last column indicates the Course Outcome and level of Blooms Taxonomy of the Question/sub-question.</li></ol>
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**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
<b>Equity and Liabilities</b>		
<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

	<b>2570000</b>	<b>1860000</b>
<b>Total</b>		
<b>Assets</b>		
<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
<b>Total</b>	<b>2570000</b>	<b>1860000</b>

Additional Information-

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

**OR**

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

(6) CO4

	Current Year	Previous Year
<b>Equity and Liabilities</b>		
<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
<b>Total</b>	<b>5080000</b>	<b>3990000</b>
<b>Assets</b>		
<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
<b>Total</b>	<b>5080000</b>	<b>3990000</b>

**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
<b>Total Sales</b>	<b>374000</b>
Cost of Sales	298000
<b>Operating Profit</b>	<b>76000</b>
Administrative Expenses	19000
Selling Expenses	14000
<b>Profit</b>	<b>43000</b>

(6) CO4

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

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) (6) CO4

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

PBT	35500
Provision for Tax	18000
<b>PAT</b>	<b>17500</b>

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**

	Current Year	Previous Year
<b>Equity and Liabilities</b>		
<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
<b>Total</b>	<b>8400000</b>	<b>8100000</b>
<b>Assets</b>		
<u>Non-Current Assets</u>		
Plant and Equipment	4580000	4800000
Non-Current Investments	200000	100000
<u>Current Assets</u>		

4 a)

(6) CO3

Inventory	1920000	2010000
Trade Receivables	440000	190000
Cash and Cash Equivalent	1260000	1000000
<b>Total</b>	<b>8400000</b>	<b>8100000</b>

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

	<b>Current Year</b>	<b>Previous Year</b>
<b>Equity and Liabilities</b>		
<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
<b>Total</b>	<b>4100000</b>	<b>3400000</b>
<b>Assets</b>		
<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
<b>Total</b>	<b>4100000</b>	<b>3400000</b>

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