

PGD in AFMA Sem.-1 Examination

PGFA-101

Financial Reporting & Statement Analysis

Time : 2-30 Hours]

January-2025

[Max. Marks : 70

- Q.1 Discuss how investors, regulators, and management use financial reporting in decision-making. (14)
Include relevant examples to illustrate its importance.
- Q.2 Highlight the key differences between principles-based and rules-based systems of US GAAP, India GAAP, and IFRS. using examples from revenue recognition, inventory valuation, and financial instruments. (14)

OR

- Q.2 (14)

Particulars	2023 (₹)	2024 (₹)
Revenue	10,00,000	12,00,000
Cost of Goods Sold	6,00,000	7,20,000
Gross Profit	4,00,000	4,80,000
Operating Expenses	1,50,000	1,80,000
Net Profit	2,50,000	3,00,000
Total Assets	15,00,000	18,00,000
Total Liabilities	6,00,000	7,50,000
Shareholders' Equity	9,00,000	10,50,000

Using the financial data provided above perform Vertical Analysis and Horizontal Analysis

- Q.3 Three companies – Aydin Ltd. (Company A), Shehzin Corp. (Company B), and Suhana Enterprises (Company C) – operate in different industries but are competing for significant foreign investment. An investor is particularly interested in their financial performance and efficiency for 2024. The investor has provided the following data:

Metrics	Aydin	Shehzin	Suhana
Net Income INR (Cr)	250	180	320
Revenue INR (Cr)	1200	1500	2000
Total Assets INR (Cr)	2500	2000	3000
Total Equity INR (Cr)	1500	1000	2000

As the financial consultant for the investor, use the DuPont analysis to assess the performance of each company.

OR

- Q.3 (14)
Explain the key components of a balance sheet and income statement. Assess how they provide insights into a company's financial stability and performance with relevant examples.

Q.4 Below are seven different business transactions. For each situation, suggest how revenue shall be recognized as per IFRS. (14)

- XYZ Ltd. sells laptops with a one-year manufacturer warranty and an optional extended two-year warranty at an extra cost.
- DEF Ltd. enters a ₹10 crore contract to build a commercial complex over two years, invoicing customers after each milestone.
- PQR Ltd. sells air conditioners with installation services included in the total price. Installation is completed within a month.
- ABC Ltd. offers a ₹12,000 annual subscription for online courses, paid upfront.
- Sale with Buyback Agreement
- Customized Software Development
- Consignment Sales

OR

Q.4 Discuss different methods of fixed asset valuations along with the associated factors and challenges. (14)

Q.5 Interpret every component of the cash flow statement of OLA elect Ltd given overleaf (14)

Particulars	MAR 24 (₹ Cr.)	MAR 23 (₹ Cr.)	MAR 22 (₹ Cr.)
Net Profit/Loss Before Extraordinary Items	- 1,584.40	-1,472.08	-784.15
Net Cash Flow From Operating Activities	-633.09	-1,507.27	-884.95
Net Cash Used In Investing Activities	- 1,136.28	-318.55	- 1,321.83
Net Cash From Financing Activities	1,589.96	658.7	3,084.83
Foreign Exchange Gains/Losses	0	0	0
Adjustments on Amalgamation/Merger/Demerger	0	0	0
Net Increase/Decrease in Cash Equivalents	-179.4	-1,167.12	878.05
Cash and Cash Equivalents Begin of Year	67.88	1,235.00	356.95
Cash and Cash Equivalents End of Year	-111.52	67.88	1,235.00

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