

IMSc ITFIN Sem. - 7 Examination
FITMSC-02

Financial A/C Reporting and Analysis
December-2025

Time : 2-30 Hours]

[Max. Marks : 70

Instructions:

- Figures to the right indicate Full Marks.
- Do not write anything on the question paper.
- Simple calculator is allowed. Do not use a scientific calculator.

Q.1	Write a detailed note on factors affecting the evolution of accounting practices for disclosure.	14																																																
	<u>OR</u>																																																	
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Q.2	Prepare a cash flow statement from the following balance sheets of a Vijay & son:	14																																																
	<table border="1"> <thead> <tr> <th>Liabilities</th> <th>1-1-24</th> <th>31-12-24</th> <th>Assets</th> <th>1-1-24</th> <th>31-12-24</th> </tr> </thead> <tbody> <tr> <td>Creditors</td> <td>36,000</td> <td>41,000</td> <td>Cash</td> <td>4,000</td> <td>3,600</td> </tr> <tr> <td>Loan from Partner</td> <td>-</td> <td>20,000</td> <td>Debtor</td> <td>35,000</td> <td>38,400</td> </tr> <tr> <td>Loan from Bank</td> <td>30,000</td> <td>25,000</td> <td>Stock</td> <td>25,000</td> <td>22,000</td> </tr> <tr> <td>Capital</td> <td>1,48,000</td> <td>1,49,000</td> <td>Land</td> <td>20,000</td> <td>30,000</td> </tr> <tr> <td></td> <td></td> <td></td> <td>Building</td> <td>50,000</td> <td>55,000</td> </tr> <tr> <td></td> <td></td> <td></td> <td>Machinery</td> <td>80,000</td> <td>86,000</td> </tr> <tr> <td>Total</td> <td>2,14,000</td> <td>2,35,000</td> <td>Total</td> <td>2,14,000</td> <td>2,35,000</td> </tr> </tbody> </table>	Liabilities	1-1-24	31-12-24	Assets	1-1-24	31-12-24	Creditors	36,000	41,000	Cash	4,000	3,600	Loan from Partner	-	20,000	Debtor	35,000	38,400	Loan from Bank	30,000	25,000	Stock	25,000	22,000	Capital	1,48,000	1,49,000	Land	20,000	30,000				Building	50,000	55,000				Machinery	80,000	86,000	Total	2,14,000	2,35,000	Total	2,14,000	2,35,000	
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	<p>During the year Rs. 26,000 paid as dividend, The provision made for depreciation against machinery as on 1.1.24 was Rs. 27,000 and on 31.12.24 Rs. 36,000.</p>																																																	
	<u>OR</u>																																																	
Q.2	<p>The director of ABC Ltd. is entitled to a salary of ₹2,500 per month plus 1% commission on the profits of the company after such salary and commission.</p> <p>The following is the Profit and Loss Account of the company for the year ended 31st March, 2024:</p>	14																																																
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To General Expenses	74,000	By Subsidy from Government	60,000
To Depreciation	82,000	By Profit on Sale of Assets (Cost ₹2,50,000; WDV ₹1,80,000)	1,00,000
To Expenditure on Scientific Research	14,000		
To Director's Salary	30,000		
To Commission to Director (on account)	6,000		
To Reserve for Bad & Doubtful Debts	17,500		
To Provision for Income Tax	2,40,000		
To Proposed Dividend	1,00,000		
To Balance c/d	3,04,000		
Total	10,60,000	Total	10,60,000
Additional Information: Depreciation as per Schedule II amounts to ₹81,000. Requirement: Calculate the remuneration payable to the Manager.			
Q.3	Calculate detailed working capital from the following information:		14
	Particulars	Value	
	Current ratio	2.5	
	Liquid ratio	1.5	
	Stock turnover ratio (Cost of Sales/Closing stock)	6 times	
	Debtors' collection period	2 months	
	Gross profit ratio	20%	
	Net working capital	₹3,00,000	
	(There is no bank overdraft and prepaid expenses)		
	<u>OR</u>		
Q.3	Kumar and Jyothi own a partnership business. The position of their firm as on 31 March 2025 and 2024 is given in the financial statements given in the following text. You are required to prepare a comparative statement and provide comments. Summarized Balance Sheet of Kumar and Jyothi		14

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Particulars	Amount (₹) 2025	Amount (₹) 2024
ASSETS		
Fixed assets	52,500	43,750
Investments	3,500	1,750
Stock-in-trade	21,000	17,500
Sundry debtors	31,500	26,250
Loan and advances	14,000	10,000
Cash and bank	1,750	1,750
Total Assets	1,24,250	1,05,000
EQUITY AND LIABILITIES		
Capital accounts	71,750	59,500
Bank loans	14,000	10,500
Sundry creditors	38,500	35,000
Total Equity and Liabilities	1,24,250	1,05,000

Summarized Income Statement of Kumar and Jyothi

Particulars	Amount (₹) 2025	Amount (₹) 2024
Net sales	42,000	38,500
Less: Cost of sales	31,500	29,750
Gross margin	10,500	8,750
Less: Operating expenses	8,750	7,000
Net profit before tax	1,750	1,750

Q.4 Life Ltd. provides the following information. Calculate borrowing cost: 14

- (i) Total project cost is Rs. 2 crores, 1 crore is financed by 8% debentures repayable in 5 years, Rs. 50,00,000 by ICICI loan at 10% per annum and balance of Rs. 50,00,000 by IDBI loan at 12% interest. Both loans are repayable after four years.
(ii) The cost of issue of debentures are Rs. 3,00,000 repayable in five years.
(iii) The service charges for both loans are Rs. 2,00,000.
(iv) Debentures are repayable at 5% premium.

OR

Q.4 (A) Ramanu Packaging Private Ltd. has various spare parts related to machines kept in stores. Spares worth Rs. 5,00,000 are consumable during average period of four to five months and spares worth Rs. 24,00,000 are consumed 07

	<p>ones in fifteen to twenty months but being crucial parts are kept in stock. Determine value of spares as per Ind AS-2.</p> <p>(B) From the following information determine value of inventory: Cost of finished goods at partial level is Rs. 150. The goods can be finished in the next year by a further expenditure of Rs. 100. The finished goods can be sold at Rs. 250, subject to payment of 4% brokerage on selling price.</p>	07
Q.5	<p>Answer the Following Questions (Any 7 from 10)</p> <ol style="list-style-type: none"> 1. Explain the regulation of financial reporting. 2. Define going concern concept. 3. State procedural aspects for preparation of financial statements. 4. What are the objectives of preparation of financial statements? 5. State any four advantages of cash flow statement. 6. State any four limitation of ratio analysis. 7. State any four advantages of accounting standards. 8. How are Accounting Standard different from IFRS? 9. State any four advantages of IFRS? 10. Define trend analysis. 	14