



Seat No. : _____

DI-104

December-2025

Int. M.B.A., Sem.-V

DSC-C-352 : Financial Analysis and Reporting

Time : 2:00 Hours]

[Max. Marks : 50

1. Answer any **TWO** from the following : **10**
- (1) Describe step wise process of financial accounting. Why is it also called accounting cycle ?
- (2) What do you mean by Income Statement ? Explain the contents of income statement of a company.
- (3) Discuss various steps involved for financial statement analysis.
2. The following are Balance sheet and Statement of Profit & Loss of N Ltd. : **10**

N Limited Balance Sheet, March 31, 2024

Liabilities	Amount	Assets	Amount
Equity capital	1,00,000	Fixed assets (net)	2,06,000
Reserves and surplus	65,000	Current assets	
Long term debt	1,40,000	Cash and bank	25,000
Short-term bank borrowings	70,000	Receivables	70,000
Trade creditors	24,000	Inventories	85,000
Provisions	19,000	Prepaid expenses	20,000
		Others	12,000
	4,18,000		4,18,000

N Limited Profit and Loss Account for the Year Ended March 31, 2024

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Net sales	7,40,000
Cost of goods sold	5,20,000
Gross profit	2,20,000
Operating expenses	1,02,000
Operating profit	1,18,000
Non-operating surplus	12,000
Profit before interest and tax	1,30,000
Interest	22,000
Profit before tax	1,08,000
Tax	46,000
Profit after tax	62,000
Dividends	20,000
Retained earnings	42,000

Compute given financial ratios for N Ltd. and briefly give meaning of each ratio computed :

- Current ratio
- Liquid ratio
- Debt-equity ratio
- Times interest covered ratio
- Inventory turnover ratio
- Average collection period
- Total assets turnover ratio
- Net profit margin ratio
- Operating profit ratio
- Return on equity

OR

2. Write notes on the following : **10**
- (1) Common size statements and Comparative statements analysis
 - (2) Advantages and disadvantages of Ratio analysis

3. From the following Balance Sheets of F Ltd., prepare Cash Flow statement for the year ending on 31/12/24 : **10**

Liabilities	2023	2024	Assets	2023	2024
Equity share capital	5,00,000	5,00,000	Goodwill	12,500	–
General reserve	1,25,000	1,50,000	Building	5,00,000	4,75,000
Profit and Loss A/c	76,250	76,500	Machinery	3,75,000	4,22,500
Term loan from bank	1,75,000	1,55,000	Equipments	45,000	40,500
Creditors	2,75,000	2,31,250	Stock	1,00,000	74,000
Provision for taxation	84,250	76,250	Debtors	2,00,000	1,60,000
			Bank	–	10,000
			Cash	3,000	7,000
	12,35,500	11,89,000		12,35,500	11,89,000

Additional information :

- (1) Interim dividend of ₹ 25,000 was paid during the year.
- (2) Building is depreciated @ 5% as per WDV.
- (3) Machinery of ₹ 75,000 was acquired during the year.
- (4) Income tax provision made for the year was ₹ 75,000.

OR

3. From the following information, prepare Value Added Statement of the company and make comments on the performance of the company :

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Particulars	2023-24	2024-25
Sales	79,608	76,174
Other income	5,648	6,065
Change in stock	- 284	3,008
Gross Income	84,972	85,247
Cost of Material	33,744	36,595
Salaries and wages	13,596	26,042
Other expenses	25,141	16,661
PBDIT	12,491	5,949
Depreciation	1,842	1,894
PBIT	10,649	4,055
Interest	260	526
PBT	10,389	3,529
Provision for Tax	3,192	1,059
PAT	7,197	2,470
Dividend	1,197	970
Retained Profit	6,000	1,500

4. Answer the following : (Any Two)

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- Meaning of Report and classification of reports
- Significance of Directors' report
- Contents of a Corporate Governance report
- Meaning and types of forensic accounting

5. (a) Fill in the blanks :

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- Current ratio is 2.5 and net working capital is ₹ 60,000, then amount of current assets is ₹ _____ and amount of current liabilities is ₹ _____ .
- Cash flow from operation before working capital changes is ₹ 5,30,000. Increase in current assets and decrease in current liabilities are respectively ₹ 75,000 and ₹ 1,25,000. Taxes paid during the year are ₹ 1,10,000, then net cash flow from operating activities would be ₹ _____ .

- (3) _____ report is containing details on working of various committees of the directors.
- (4) SEBI's _____ are mainly governing content of annual reports of listed companies.
- (5) _____ may be viewed as an alternative of statement of profit and loss for judging the performance of business organizations.

(b) State whether the following statements are **True** or **False** :

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- (1) In comparative statement analysis, all figures of P & L A/c and Balance sheets are converted taking common base.
 - (2) As per going concern concept, business and owner of the business are two separate entities.
 - (3) Scope of forensic accounting is much wider than auditing.
 - (4) Higher liquid ratio shows good profitability for the company.
 - (5) Negative figure of net cash flow from investing activities shows company has invested more funds in the business in the current year.
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