

**IMBA TY Sem.-5 Examination
Financial Analysis & Reporting**

Time : 2.30 Hours]

December-2025

[Max.Marks : 70

Q.1 What are the advantages and disadvantages of financial accounting? [14]
OR

Q.1 Discuss Accounting process in detail. [14]

Q.2 The following is the balance sheet of X ltd. and Y ltd. as on 31st March 2025. Prepare common size statement of both the companies and comment. [14]

Equity and Liabilities	X ltd. ₹	Y ltd. ₹
Equity share capital	5,00,000	4,00,000
10% preference share capital	2,00,000	2,00,000
General Reserve	1,82,000	1,62,000
15% Debentures	2,00,000	2,00,000
Trade payables	20,000	16,000
Provident fund	20,000	24,000
Provision for taxation	10,000	20,000
Bank o/d	50,000	40,000
TOTAL	11,82,000	10,62,000
Assets		
Building	5,00,000	3,00,000
Machinery	1,00,000	2,00,000
Furniture	1,00,000	1,00,000
Stock	1,50,000	1,00,000
Trade Receivables	2,50,000	3,00,000
Bills Receivables	30,000	20,000
Cash and bank balance	50,000	40,000
Preliminary expenses	2,000	2,000
TOTAL	11,82,000	10,62,000

OR

Q. 2 [A] Explain the advantages and disadvantages of Trend analysis [07]

[B] Discuss the importance of financial statement analysis. [07]

Q.3 Compute the following ratios from the summarised Balance Sheet given below: [14]

1. Current Ratio
2. Return of Equity shareholder's fund
3. Debt equity Ratio
4. Net profit Ratio
5. Debtor's ratio (360 days)
6. Fixed Asset turnover ratio
7. Proprietary Ratio

Equity and Liabilities	31 st March 2024 ₹	31 st March 2025 ₹
Equity share capital	30,00,000	37,50,000

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Securities premium	1,50,000	2,25,000
General Reserve	5,25,000	6,00,000
Profit and loss A/c	3,75,000	13,50,000
6% Debentures	15,00,000	15,00,000
Trade payables	4,50,000	6,00,000
Provision for tax	2,70,000	2,25,000
Total	62,70,000	82,50,000
Assets		
Goodwill	4,50,000	4,05,000
Land & Building	13,50,000	21,00,000
Machinery	19,50,000	22,50,000
Patents	7,50,000	6,75,000
Furniture & Fixtures	2,25,000	2,02,500
Trade receivables	6,75,000	10,50,000
Cash & Bank balance	87,000	1,05,000
Inventories	7,50,000	14,40,000
Debenture discount	18,000	15,000
Preliminary expenses	15,000	75,000
Total	62,70,000	82,50,000

Additional Information:

1. Sales for the year ending 2024 and 2025 is ₹ 75,00,000 and ₹ 82,00,000 respectively.
2. Net profit for the year ending 2024 and 2025 is ₹ 16,50,000 and ₹ 19,60,000 respectively.

OR

- Q.3 [A] Who are the users of financial statements? [07]
 [B] Discuss advantages and limitations of ratio analysis [07]

- Q.4 Following is the summarized Balance Sheet for the financial year ending 2024 and 2025. [14]

Particulars	31-Mar-2024	31-Mar-2025
	(₹)	(₹)
Assets		
Cash & Bank	10,000	25,000
Debtors	50,000	40,000
Inventory	30,000	35,000
Prepaid expenses	2,000	1,000
Fixed assets (net of acc. dep.)	110,000	112,000
Total Assets	202,000	213,000
Equity & Liabilities		
Share Capital	100,000	100,000
Retained earnings	60,000	75,000
Long-term loan	20,000	30,000
Creditors	22,000	7,000

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Outstanding expenses	—	1,000
Total Liabilities & Equity	202,000	213,000

Additional information:

1. Net profit for the year (after tax) ₹30,000.
2. Depreciation charged during the year ₹8,000.
3. Fixed assets were purchased for cash ₹15,000.
4. A fixed asset (book value ₹5,000) was sold for ₹3,000.
5. Long-term loan obtained ₹10,000.
6. Dividend paid during the year ₹15,000.

Prepare the Cash Flow Statement (Indirect Method) for the year ended 31-Mar-2025.

OR

- Q.4 [A] Give the format of Value-added statement. [07]
[B] What is the importance of cash flow statement? Explain the three major activities of a Cash Flow Statement: Operating, Investing, and Financing activities with examples. [07]
- Q.5 Answer Any TWO from the following: [14]
1. What are the contents of the annual report?
2. Discuss various types of report.
3. Write a short note on Characteristics of a good report.

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