

Seat No. : \_\_\_\_\_

# MG-205

May-2025

IMBA, Sem.-VIII

**IMBA in Finance (FM) / IMBA in HR and Public Administration (HRPA) /  
IMBA in Business Management (BM) / IMBA in Business Economics and  
Management (BEM)**

**Financial Reporting and Statement Analysis (FRSA)**

**MBA\_207 / HR\_MBA\_207 / BEM\_MBA\_207 / FM\_MBA\_207**

**Time : 2:30 Hours]**

**[Max. Marks : 70**

1. Discuss the meaning of Financial Reporting, also explain the types of financial statements analysis and concept of IFRS Convergence in detail (With Proper Chart). **14**
2. The following are the summarized balance sheets of Vora LTD. You are required to comment on : **14**
  - (i) Changes in the liquid position of the company with the help of Acid Test Ratio and Current Ratio.
  - (ii) To comment on capital structure of the company with the help of Proprietary ratio and fixed capital-assets ratio.
  - (iii) To comment on the profitability with the help of return on total assets and earning per share. Also write down Profit calculation chart.

Net profit after interest and taxes are ₹ 80,000 and ₹ 90,000 respectively. Rate of taxes is 50%.

Particulars	2023 (₹)	2024 (₹)
<b>(A) Equity and Liabilities :</b>		
(1) Shareholders' Funds :		
(a) Share Capital :		
Equity shares of ₹ 100 each	4,00,000	4,00,000
10% of Pref. Shares of ₹ 100 each	2,00,000	2,00,000
(b) Reserves and Surplus :		
Reserves	2,00,000	1,50,000
(2) Non-Current Liabilities :		
12% Debentures	1,00,000	1,00,000
(3) Current Liabilities :		
Proposed Dividend	40,000	80,000
Other Current Liabilities	80,000	1,40,000
<b>TOTAL</b>	<b>10,20,000</b>	<b>10,20,000</b>

<b>(B) Assets :</b>		
(1) Non-Current Assets :		
Fixed Assets		
(Fixed assets less Depreciation)	7,50,000	7,90,000
(2) Current Assets :		
Stock	1,50,000	1,10,000
Debtors	1,10,000	95,000
Cash	10,000	25,000
<b>TOTAL</b>	<b>10,20,000</b>	<b>10,20,000</b>

**OR**

2. From the following ratios calculated from the accounts of Joshi LTD and standard ratios, comment on the financial position and operational efficiency of the company. **14**

<b>Ratios</b>	<b>Actual Ratios</b>	<b>Standard Ratio</b>
Gross Profit Margin	40%	>35%
Operating Profit Margin	20%	>15%
Net Profit Margin	10%	>10%
Current Ratio	1.67	1.5-2.0
Quick Ratio	1.33	>1.0
Debt-to-Equity Ratio	0.75	<1.0
Return on Equity (ROE)	12.5%	>15%

3. Discuss the concept of cash flow statement, also explain the objectives, classification and methods of cash flows statement in detail. **14**

**OR**

3. (A) From the following Balance Sheet of Khushi LTD prepare cash flow statement for the year 2012. 14

Liabilities	1-4-2020	31-3-2021	Assets	1-4-2020	31-3-2021
Share Capital	1,25,000	1,53,000	Cash	10,000	7,000
Creditors	40,000	44,000	Debtors	30,000	50,000
Loan from Z	25,000	-	Stock	40,000	25,000
Loan from Bank	40,000	50,000	Machinery	80,000	55,000
			Land	35,000	50,000
			Building	35,000	60,000
	<b>2,30,000</b>	<b>2,47,000</b>		<b>2,30,000</b>	<b>2,47,000</b>

- (B) Sanket Ltd., a non-financial company has the following entries in its Bank Account :

It has sought your advice on the treatment of the same for preparing Cash Flow Statement.

- Loans and Advances given to the following and interest earned on them:
  - (1) To suppliers
  - (2) To employees
  - (3) To its subsidiary companies
- Investment made in subsidiary Smart Ltd. and dividend received
- Dividend received for the year
- TDS on interest income earned on investments made
- TDS on interest earned on advance given to employers
- Insurance claim received against loss of fixed asset by fire

Discuss in the context of AS-3 Cash Flow Statement.

4. Write a note on : Creative Accounting in Corporate Financial Reporting. 14

**OR**

4. Discuss the meaning and objectives of Corporate Financial Reporting in detail. 14

5. Answer the following questions in brief :

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- (1) Explain the term : Fund Flow Statement.
  - (2) Explain the term : Financing Activity.
  - (3) What is the importance of preparing Financial Statements ?
  - (4) Discuss the Profitability Ratio in brief.
  - (5) Write a note on : Classifications of ratio on the basis of functions.
  - (6) What are the different types of analysis of a financial statement ?
  - (7) Explain the term : Deferred Tax Liability v/s Deferred Tax Asset.
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