

Seat No. : _____

MG-204

May-2025

MBA Full Time-Sem-2 (Regular/Repeater)

MBA in Public Policy Management (PPM)/MBA in Event Management (EM)/

MBA in Business Economics and Public Finance (BEPF)

Financial Reporting and Statement Analysis (FRSA)

EPF-207/ PPM-207/ EM-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 GAAP in detail (With Proper Chart). **14**
2. The following are the summarized balance sheets of Khushi LTD. You are required to comment on. **14**
 - (1) Changes in the liquid position of the company with the help of liquidity ratios.
 - (2) To comment on capital structure of the company with the help of proprietary ratio and fixed capital-assets ratio.
 - (3) 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 ₹ 60,000 and ₹ 70,000 respectively. Rate of taxes is 50%.

Particulars	2021 (₹)	2022 (₹)
[A] Equity and Liabilities :		
(1) Shareholder's Funds :		
{a} Share Capital:		
Equity shares of ₹ 100 each	1,00,000	1,50,000
10% of Pref. Shares of ₹ 100 each	50,000	50,000
{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	20,000	20,000
Other Current Liabilities	80,000	1,20,000
TOTAL	5,50,000	5,90,000

[B] Assets :		
(1) Non -Current Assets:		
Fixed Assets		
(Fixed assets less Depreciation)	3,50,000	4,90,000
(2) Current Assets		
Stock	1,50,000	60,000
Debtors	40,000	35,000
Cash	10,000	5,000
TOTAL	5,50,000	5,90,000

OR

2. (A) Discuss the meaning of ratio analysis, also discuss the various types of ratios and importance of ratio analysis in detail. 14
- (B) From the following ratios, calculated from the accounts of a company and standard ratios, comment on the financial position and operational efficiency of the company.

Ratios	Actual Ratios	Standard Ratio
Current Ratio	2	2.5
Liquid Ratio	1	1.2
Stock Velocity Ratio	19	12
Debtors Velocity Ratio	85 Days	45 Days
Creditors Velocity Ratio	46 Days	50 Days

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 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
	2,30,000	2,47,000		2,30,000	2,47,000

(B) AK 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's 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: Window dressing 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. **14**

- (1) Explain the term : Fund Flow Statement
- (2) Explain the term : Investing Activity.
- (3) What is the purpose of Preparing Financial Statements ?
- (4) Discuss the Liquidity 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.

