

## IMBA CSM Sem.-8 Examination

## CSM\_MBA-411

## Financial Reporting &amp; Statement Analysis

Time : 2-30 Hours]

May-2025

[Max. Marks : 70

**Question 1 Answer the following questions:**

- i. Describe the various accounting principles and explain their significance in financial reporting. 7Marks
- ii. Explain the Double Entry System of bookkeeping with rules and examples. 7Marks

**OR**

- i. How does accounting help in ensuring legal compliance and fraud prevention? Justify with points. 7Marks
- ii. Explain the process of recording business transactions from journalizing to preparation of a trial balance. 7Marks

**Question 2 Answer the following questions:**

- i. Explain the various steps involved in the accounting process with suitable examples. 7Marks
- ii. What is a journal? Explain its format and record a sample transaction. 7Marks

**OR**

- i. Distinguish between capital and revenue expenditure with examples. Why is this distinction important? 7Marks
- ii. Explain the difference between Single Entry and Double Entry systems of accounting with examples. 7Marks

**Question 3 Answer the following questions:**

- i. Describe the Straight Line Method (SLM) and Reducing Balance Method (RBM) of depreciation. How do they affect the book value of assets? 7Marks
- ii. Differentiate between FIFO, LIFO, and Weighted Average Cost methods of inventory valuation with suitable examples. 7Marks

**OR**

- i. Compare and contrast tangible and intangible assets with examples. How are they valued differently? 7Marks
- ii. Discuss the methods of inventory valuation and their impact on financial statements. 7Marks

(P.T.O)

**Questions 4 Answer the following questions:**

- i. Define Funds from Operations (FFO). How is it calculated? Explain its importance in financial analysis with an example. 7Marks
- ii. What is the difference between Cash Profits and Book Profits? How can these be calculated from financial statements? Explain with an example. 7Marks

**OR**

- i. Prepare a comparative Statement of Changes in Working Capital for the following: 7Marks
- Year 1: Debtors ₹40,000; Stock ₹25,000; Creditors ₹15,000
- Year 2: Debtors ₹50,000; Stock ₹30,000; Creditors ₹10,000
- ii. Differentiate between Cash Flow Statement and Funds Flow Statement with at least four points of distinction and examples. 7Marks

**Questions 5: Attempt any Seven out of Twelve.**

14 Marks

1. Define the term 'Going Concern Principle'.
2. State any two features of the Double Entry System.
3. What do you understand by the 'Matching Concept'?
4. Give an example of a Real Account.
5. Give an example of a compensating error.
6. What is a balance sheet?
7. Mention any two limitations of single-entry system.
8. Define capital expenditure with an example.
9. How can missing figures be derived in incomplete records?
10. What is the meaning of super profits?
11. Write the formula for depreciation under the Straight Line Method.
12. What does a positive change in Working Capital indicate?

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