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MBA
(SEM I) THEORY EXAMINATION 2024-25
FINANCIAL ACCOUNTING AND ANALYSIS

TIME: 3 HRS

M.MARKS: 100

Note: Attempt all Sections. In case of any missing data; choose suitably.

SECTION A

1. Attempt all questions in brief.

2 x 10 = 20

Q no.	Question	CO	Level
a.	Compare accounting concepts and accounting conventions.	1	K2
b.	Summarize depreciation.	1	K2
c.	Explain double entry system in accounting.	2	K2
d.	Summarize International Financial Reporting Standards.	2	K2
e.	Compare vertical format and traditional format of final accounts.	3	K2
f.	Explain cash flow statement.	3	K2
g.	List three benefits of financial statement analysis.	4	K1
h.	List types of ratios for ratio analysis.	4	K1
i.	What is trend analysis?	5	K1
j.	Explain human resource accounting.	5	K2

SECTION B

2. Attempt any three of the following:

10 x 3 = 30

a.	Explain accounting and its scope in modern business environments. How does accounting contribute to the decision-making process in an organization?	1	K5																												
b.	List the key steps involved in the accounting cycle when using the double-entry system.	2	K4																												
c.	Discuss a cash flow statement, and it's important for financial analysis; explain the three main sections of a cash flow statement and provide an example of how each section is prepared.	3	K6																												
d.	Summarize solvency ratios and explain their importance in assessing a company's long-term financial health. Provide examples of common solvency ratios and discuss how they are calculated.	4	K2																												
e.	Create comparative balance sheet for the year ended 31.03.2023 and 31.03.2024	5	K6																												
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SECTION C

3. Attempt any one part of the following:

10 x 1 = 10

a.	Evaluate the accounting equation and its components. Explain the process accounting equation ensures that the financial statements remain in balance.	1	K5
b.	Analyze the basic accounting terminologies with suitable examples- assets, liabilities, equity, revenue, and expenses	1	K4

4. Attempt any one part of the following:

10 x 1 = 10

a.	Create Journal and show the respective ledger accounts basis following transactions. April 3, Purchased goods from Rag on credit for Rs 20000/-	2	K6
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	April 4, Cash paid to Rag Rs 10000/- April 5, Goods sold to Raman Rs 25000/- April 6, Received cash from Raman Rs 20000/- April 7, Goods purchased from Rag for Rs 12000/- April 15, Cash paid to Rag Rs 20000/- April 22, Goods sold to Raman for Rs 10,000/- April 30, Received Cash from Raman Rs 6000/-		
b.	Discuss the key principles and standards that form the foundation of international accounting. How do these principles ensure consistency and comparability in financial reporting across different countries?	2	K6

5. Attempt any one part of the following: 10 x 1 = 10

a.	Develop Trading and Profit and Loss account and balance sheet on M/s Royal Traders from the following balances as on March 31, 2011.	3	K6																																																												
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b.	Discuss the key components and structure of financial statements as per the Companies Act, 2013. How do these components help in providing a comprehensive view of a company's financial performance and position?	3	K6																																																												

6. Attempt any one part of the following: 10 x 1 = 10

a.	ABC Ltd., has a current ratio of 3.5:1 and liquidity ratio of 2:1. If excess of current assets over liquid assets represented by inventories is Rs. 24,000, find current assets and current liabilities.	4	K6
b.	Elaborate how solvency, profitability, activity, liquidity, market capitalization, and leverage ratios collectively provide a comprehensive view of a company's financial health. Discuss the interrelationships between these ratios.	4	K6

7. Attempt any one part of the following: 10 x 1 = 10

a.	Compare and contrast trend analysis for service organizations and manufacturing organizations. Provide an example of trend analysis for a service-based company.	5	K5
b.	Discuss common size statement, and how is it used in financial analysis and also the steps involved in preparing a common size balance sheet and income statement.	5	K6