



CS – 385

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V Semester B.B.A. Examination, March 2023
(CBCS) (2022-23 Onwards) (Fresh)
BUSINESS ADMINISTRATION
Paper – 5.4 : Financial Analysis and Reporting

Time : 3 Hours

Max. Marks : 70

Instruction : Answers should be written in **English** only.



SECTION – A

1. Answer **any five** sub-questions. **Each** question carries **two** marks. (5×2=10)
- State any two objectives of management accounting.
 - What is comparative financial statement ?
 - State any four balance sheet ratios.
 - What is fund flow statement ?
 - Write any four components of current assets.
 - State two requisites of good reporting system.
 - What do you mean by cash equivalents ?

SECTION – B

Answer **any three** questions. **Each** question carries **five** marks. (3×5=15)

- Write a short note on good reporting system.
- Explain briefly any three activity ratios.
- Prepare schedule of changes in working capital from the following details.

Particulars	31-3-2021	31-3-2022
	Rs.	Rs.
Bank O/D	8,000	—
Creditors	40,000	45,000
B/P	5,000	8,000
Debtors	20,000	40,000
Stock	15,000	25,000
Cash in hand	1,000	8,000

P.T.O.



5. Calculate cash flow from operation from the following information of G.M.A. company.

Particulars	31/12/2020	31/12/2021
	Rs.	Rs.
Debtors	1,50,000	1,41,000
Creditors	60,000	75,000
B/R	30,000	37,500
B/P	24,000	18,000
O/S expenses	3,000	15,000
Profit	—	3,90,000

6. The following information is provided to you by K. S. Borewell Company, Tumkur

Current ratio 2.5

Acid test ratio 1.5

Current liabilities Rs. 50,000

Findout : current assets, liquid assets and inventory.

SECTION – C

Answer **any three** questions. **Each** question carries **twelve** marks. **(3×12=36)**

7. The following information given about Adam company for the year ending 31-03-2022.

a) Stock turnover ratio – 6 times

b) G.P. ratio = 20% on sales

c) Sales Rs. 2,00,000

d) Closing stock is Rs. 10,000 more than the opening stock

e) Opening creditors Rs. 20,000

f) Closing creditors Rs. 30,000

g) Net working capital Rs. 50,000

Find out : Average stock; Average payment period; Purchase; Working capital turnover.



8. From the following Balance Sheet of Chinmaya Ltd., and additional information prepare :

a) Statement of changes in working capital

b) Funds flow statement.

Liabilities	2020 Rs.	2021 Rs.	Assets	2020 Rs.	2021 Rs.
Capital	6,00,000	7,00,000	Buildings	4,50,000	6,00,000
P & L A/c	75,000	1,00,000	Machinery	3,30,000	4,00,000
Long term debt	3,00,000	4,00,000	Furniture	85,000	1,05,000
Creditors	4,50,000	5,40,000	Stock	3,60,000	4,50,000
Bills payable	85,000	95,000	Debtors	2,10,000	1,70,000
O/S expenses	5,000	10,000	Cash	70,000	1,20,000
			Preliminary expenses	10,000	–
	15,15,000	18,45,000		15,15,000	18,45,000

Additional information :

a) Depreciation written off on machinery Rs. 30,000 and on furniture Rs. 15,000

b) Building purchased during the year Rs. 1,50,000

c) Preliminary expenses written off Rs. 10,000.

9. Following is the balance sheet of Mercy Ltd., as on 31/12/2020 and 31/12/2021.

	2020 Rs.	2021 Rs.		2020 Rs.	2021 Rs.
Share capital	3,00,000	3,50,000	Land and Building	2,30,000	3,90,000
Share premium	–	30,000	Plant and machinery	85,400	1,40,000
Gen. Reserve	45,000	65,000	Furniture	5,500	6,500
P&L A/c	30,000	80,800	Stock	82,400	95,700
6% debentures	–	70,000	Debtors	75,000	85,500
Creditors	85,000	90,700	Bank balance	34,200	44,300
Provision for tax	22,500	40,500			
Proposed dividend	30,000	35,000			
	5,12,500	7,62,000		5,12,500	7,62,000

**Additional information :**

Depreciation written off during the year :

Land and building Rs. 60,000

Plant and machinery Rs. 50,000

Furniture Rs. 1,200

You are required to prepare cashflow statement.

10. From the following balance sheets of Apoorva and Radha, prepare a common size balance sheet and comment.

Liabilities	Apoorva Rs.	Radha Rs.	Assets	Apoorva Rs.	Radha Rs.
Preference capital	1,20,000	1,80,000	Land and		
Equity capital	1,50,000	4,00,000	Building	80,000	1,23,000
Reserves	14,000	18,000	Plant and		
Long term loans	1,15,000	1,30,000	machinery	3,34,000	6,00,000
B/P	2,000	–	Short term		
Creditors	12,000	4,000	investment	1,000	40,000
O/S expenses	22,000	10,000	Stock	10,000	25,000
Proposed dividend	10,000	90,000	Book debts	4,000	8,000
			Prepaid exp.	1,000	2,000
			Cash	8,000	30,000
			Preliminary		
			expenses	7,000	4,000
	4,45,000	8,32,000		4,45,000	8,32,000

11. What do you mean by financial analysis ? Explain its advantages and limitations.

SECTION – D

Answer **any one** question. **Each** question carries **nine** marks.

(1×9=9)

12. a) Collect financial statement of any company and prepare fund flow statement.

OR

- b) The profits of Vasu Co. Ltd., are declining year by year. As a management accountant of the company draft a report to the management exploring the reasons to declining profits and suggesting corrective measures.