

**ANURAG Engineering College**

(An Autonomous Institution)

I MBA I Semester Regular/Supplementary Examinations, February–2024

**FINANCIAL REPORTING AND ANALYSIS  
(MASTER OF BUSINESS ADMINISTRATION)****Time: 3 Hours****Max. Marks:60****Section – A (Short Answer type questions)****(10 Marks)****Answer All Questions**

	Course Outcome	B.T Level	Marks
1. What is GAAP?	CO1	L1	1M
2. Explain Going Concern Concept.	CO1	L2	1M
3. What is Ledger?	CO2	L1	1M
4. What is Revenue Expenses?	CO2	L1	1M
5. What is Tangible – Intangible Assets?	CO3	L2	1M
6. Define Good will.	CO3	L1	1M
7. What are Cash Profits?	CO4	L1	1M
8. What is Working Capital?	CO4	L2	1M
9. What is Leverage Ratio?	CO5	L1	1M
10. What is Du Pont Chart?	CO5	L1	1M

**Section B (Essay Questions)****Answer all questions, each question carries equal marks.****(5 X 10M = 50M)**

11. A) Explain Concepts and Conventions.	CO1	L2	10M
<b>OR</b>			
B) Discuss Double Entry System, Advantages & Disadvantages.	CO1	L3	10M
12. A) Prepare Journal Entries for the Following Transactions of Sampath for the Year Ending June 2023. June 1 Started Business with cash Rs18000 June 2 Paid Rent Rs 400 June 5 Purchased Goods for cash Rs 5000 June 7 Sold Goods for cash Rs 4000 June 15 Rent Paid Rs 2000 June 17 Bought Motor Cycle for Personal Use Rs500 June 20 Purchased machinery Ra 5000 June 25 Paid to Rangarao Rs 2000.	CO2	L2	10M
<b>OR</b>			
B) Explain the Process of Ascertainment of Profit from Incomplete Records.	CO2	L3	10M
13. A) The following are the details of a spare parts of santhosh Mills 1-1-2016 Opening Stock NIL 1-1-2016 Purchases 100 Units @ Rs30 Per Unit 15-1-2016 Issued for consumption 50 Units 1-2-2016 Purchase 200 units @Rs 40 per unit 15-2-2016 Issued for consumption 100 Units 20-2-2016 Issued for consumption 100 Units 1-3-2016 Purchases 150 Units @ Rs 50 Per Unit 15-3-2016 Issued for consumption 100 Units Find out the value of stock as on 31-3-2016 i) FIFO ii) LIFO iii) Weighted Average	CO3	L3	10M

**OR**

- B) Why is Inventory Valuation Necessary? Discuss Various methods of inventory Valuation with their relative merits and demerits. CO3 L2 10M
14. A) Explain about Working Capital Management. Mention various sources for mobilising of working capital funds. CO4 L3 10M
- OR**
- B) Contrast Between Cash Profits and Book Profits. CO4 L3 10M
15. A) Explain significance and procedure of financial statement and interpretation. CO5 L2 10M

**OR**

B) <b>Liabilities</b>	<b>Rs</b>	<b>Assets</b>	<b>Rs</b>	CO5	L3	10M
Equity Share capital	2,50,000	Goodwill	20,000			
6% Preference capital	1,50,000	Buildings	2,50,000			
General Reserve	20,000	Machinery	1,75,000			
Profit & Loss Account	15,000	Furniture	10,000			
5% Debentures	1,00,000	Stock	90,000			
Sundry Creditors	28,000	Sundry Debtors	21,000			
Bills Payable	12,000	Cash at bank	5,000			
Preliminary Expenses	4,000					
<b>Total</b>	<b>5,75,000</b>		<b>5,75,000</b>			

**Other Information:**

Total Sales Rs 4,00,000 20% of which is made on credit. Gross Profit and net profit (after tax) for the year ended amounted Rs 80,000 and 20,000 respectively.

Calculate and interpret the following ratios:

- i) Current ratio
- ii) Liquidity ratio
- iii) Proprietary ratio
- iv) Fixed assets to Proprietary fund ratio
- v) Debt-equity ratio
- vi) Gross profit and net profit ratio
- vii) Debtor's turnover ratio
- viii) Stock turnover ratio.