



End Term {(Odd) (Trimester-I)} Examination November 2025

Roll no.....

Name of the Course and semester: MBA-I

Name of the Paper: Financial Statement Analysis & Reporting

Paper Code: MBA104

Time: 3 hour

Maximum Marks: 100

Note:

- (i) This question paper contains two Sections-Section A and B
- (ii) Both Sections are compulsory
- (iii) Answer any two sub questions from a, b & c in each main question of Section A. Each sub question carries 10 marks.
- (iv) Section B, consisting of a case study, is compulsory. It is of 40 Marks.

Section A

Q1.

(2X10=20 Marks)

- a. Define Accounting and explain any four objectives of accounting. CO1
- b. Explain the difference between Accounting Concepts and Accounting Conventions with suitable examples. CO2
- c. What is Earnings Per Share (EPS)? Explain the difference between Basic EPS and Diluted EPS as per Ind AS 33. CO2

Q2.

(2X10=20 Marks)

- a. Explain the Accounting Cycle. Why is the Trial Balance important for the preparation of final accounts? CO2
- b. Journalize the following transactions and prepare Ledger of Cash A/c: CO3
 - 1. Commenced business with cash Rs. 6,00,000 and goods Rs. 1,00,000.
 - 2. Opened a bank account and deposited Rs. 2,50,000 from cash.
 - 3. Purchased goods from K.K. Traders for Rs. 1,50,000 on credit.
 - 4. Returned goods worth Rs. 10,000 to K.K. Traders.
 - 5. Sold goods costing Rs. 70,000 for Rs. 1,00,000 on credit to Rohan & Co.
 - 6. Received Rs. 98,000 from Rohan & Co. in full settlement of their account.
 - 7. Paid salaries Rs. 25,000 and wages Rs. 18,000 in cash.
 - 8. Paid office rent Rs. 20,000 by cheque.
 - 9. Purchased furniture for office use for Rs. 55,000, payment made by bank transfer.
 - 10. Withdrew Rs. 15,000 cash from bank for office use. (Contra entry)
- c. From the following Trial Balance, prepare Final Accounts (Trading, P&L, and Balance Sheet): CO4

Particulars	Debit (Rs.)	Credit (Rs.)
Capital	—	4,50,000
Drawings	40,000	—
Purchases	2,00,000	—
Sales	—	3,10,000
Wages	25,000	—
Salaries	35,000	—
Rent	18,000	—
Debtors	85,000	—
Creditors	—	62,000
Furniture	1,00,000	—
Cash	40,000	—



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Adjustments:

1. Closing stock Rs. 65,000
2. Outstanding salaries Rs. 7,000
3. Depreciate furniture @ 10%
4. Prepaid rent Rs. 3,000

Q3.

(2X10=20 Marks)

- a. Define Depreciation. Why is depreciation necessary for true and fair financial reporting? CO1
- b. Explain the process of preparing Consolidated Financial Statements under the Companies Act and relevant accounting standards. CO2
- c. From the following information, prepare Cash Flow from Operating Activities under Ind-AS 7: CO4
 - a) Net Profit: Rs. 1,50,000
 - b) Depreciation: Rs. 35,000
 - c) Increase in Debtors: Rs. 25,000
 - d) Decrease in Creditors: Rs. 18,000
 - e) Provision for Tax: Rs. 40,000
 - f) Income tax paid: Rs. 30,000
 - g) Gain on sale of machinery: Rs. 12,000

Section B

Q4. Case Study

(40 Marks)

CO5

XYZ Ltd. provides the following financial information for the last two years:

Particulars	Year 1	Year 2
Sales	1200	1500
Cost of Goods Sold	780	930
Operating Expenses	250	310
Interest	40	50
Tax	30	40
Net Profit	100	170



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Particulars	Year 1	Year 2
Current Assets	600	750
Current Liabilities	300	350
Total Assets	1,900	2,300
Equity Share Capital	1,000	1,000
Reserves & Surplus	400	550
Long-term Debt	500	700

4 (a) Prepare a Comparative Income Statement and comment on the company's performance.

4 (b) Calculate the following ratios for Year 1 and Year 2:

- a. Gross Profit Ratio
- b. Net Profit Ratio
- c. Current Ratio
- d. Debt-Equity Ratio
- e. Asset Turnover Ratio

4 (c) Explain the purpose and managerial usefulness of:

- i. Common Size Statements
- ii. Trend Analysis

4 (d) Using the information above, prepare a DuPont Analysis framework for the company. Discuss how DuPont Analysis helps in identifying profitability drivers.