

BBA/M-16
ANALYSIS OF FINANCIAL STATEMENTS
PAPER-BBA-109

Time Allowed: 3 Hours

Maximum Marks: 80

Note: Attempt five questions in all. Question No. 1 is compulsory. All questions carry equal marks.

Compulsory Question

1. Write notes on the following :
 - (i) Liquidity.
 - (ii) Solvency
 - (iii) Return on Investment.
 - (iv) Depreciation.
 - (v) Provision of taxation.
 - (vi) Long-term borrowing.
2. What do you mean by financial statements? Discuss the uses and limitations of financial statements.
3. Explain any two of the following ;
 - (i) Gross Profit Ratio.
 - (ii) Stock Turnover Ratio.
 - (iii) Proprietary Ratio.
4. What do you mean by funds flow statement ? How is it prepared ? Discuss the managerial uses of fund flow statement.
5. Define and distinguish between the following ;
 - (i) Fund flow Statement and Balance sheet.
 - (ii) Fund flow Statement and Cash flow Statement.
6. Explain and illustrate the process of preparing a cash flow statement with imaginary figures.
7. What do you mean by social accounting ? Explain the purpose and scope of the social accounting ?
8. From the following information, prepare a summarized balance sheet as on 31 March 2005 ;
 - (i) Working Capital : 1,20,000.
 - (ii) Reserves and Surplus : 80,000

- (iii) Bank Overdraft : 20,000
- (iv) Assets (fixed) - Proprietary Ratio : 0.75.
- (v) Current Ratio : 2.5
- (vi) Liquidity Ratio : 1.5