



Register Number:

DATE:

ST. JOSEPH'S COLLEGE (AUTONOMOUS), BANGALORE-27

M.Com – I SEMESTER

SEMESTER EXAMINATION: NOVEMBER 2019

MCO 7118 – FINANCIAL ANALYSIS AND REPORTING

Time-2 ½ hrs

Max Marks-70

This paper contains 3 (THREE) printed pages and four parts

SECTION A

Answer any TEN (10) of the following (10 * 2 Marks = 20 Marks)

1. What are final accounts? What purpose do they serve?
2. Who are the users of accounting information?
3. Differentiate between Loss and Expenditure.
4. State the elements of financial statement as per the IFRS
5. Differentiate between common size and comparative statement.
6. How are the profitability ratios classified to add significance to the ratio analysis as a technique?
7. State the significance of AS-8 and AS-16.
8. What is meant by accounting cycle?
9. Mention the need for financial reporting.
10. Differentiate between cost of goods sold and cost of sales.
11. Write the uses of cash flow statement
12. Explain any two accounting postulates.

SECTION B

Answer any THREE (3) of the following (3 * 5 Marks = 15 Marks)

13. The net worth of a firm is Rs. 2, 00,000. Other details available are as under:
Current debt to total debt 0.40
Total debt to owners' equity 0.60
Fixed assets to owners' equity 0.80
Liquid ratio 2 times
Write inference on the above ratios.
14. Explain the composition of Accounting Standards Board.
15. Compare IFRS with Ind AS.

16. Sudheesh Ltd furnishes its balance sheet for the years 2017 and 2018 and required you to analyse based on the comparative balance sheet.

Liabilities	2017	2018	Assets	2017	2018
Equity share capital	80,000	80,000	Land & buildings	80,000	74,000
8% debentures	80,000	90,000	Plant & Machinery	60,000	54,000
Retained earnings	40,000	49,000	Furniture	20,000	28,000
Sundry creditors	50,000	70,000	Inventory	40,000	60,000
Bills payable	10,000	15,000	Debtors	40,000	80,000
			Cash	20,000	8,000
	2,60,000	3,04,000		2,60,000	3,04,000

17. Outline the Challenges of IFRS in India.

SECTION C

Answer any TWO (2) of the following (2 * 10 Marks = 20 Marks)

18. From the following particulars of Sunrise Ltd, prepare SOCIE for the year ended 31/03/2019:
- Net profit before tax Rs.3500000
 - Rate of tax 40%
 - Transfer to reserve fund 20% of profit after tax
 - Share capital:
 - 60000, 15% convertible preference shares of Rs100 each
 - 60000, equity shares of Rs.100 each, Rs.75 paid up.
 - Proposed equity dividend 20%
 - P/L Account balance from last year Rs.400000
19. Keeping in mind the stepwise approach in the convergence with IFRS in India, give the overview of Ind AS and the list of converged Ind AS notified by the MCA.
20. Analyse the following financial data

a) Selected Financial Data for Apple (Dollars in Millions)

Fiscal year	2017	2018	2019
Net sales	42,905	37,491	24,578
Gross margin	17,222	13,197	8,152
Operating income	11,740	8,327	4,407

b) Selected Financial Data for Dell (Dollars in Millions)

Fiscal year	2017	2018	2019
Net sales	52,902	61,101	61,133
Gross margin	9,261	10,957	11,671
Operating income	2,172	3,190	3,440

SECTION D

Compulsory Question

(15 Marks)

21. From the following is the trial balance of Vishal Ltd., prepare the Balance Sheet of the company as on 31st March 2018 as per Schedule III of the Companies Act.

Trial Balance as on 31st March 2018

Debit	Rs	Credit	Rs.
Advances to employees	3,00,000	Equity share capital	52,00,000
Cash at bank	3,14,320	Capital reserve	60,000
Furniture	7,50,000	Loan from SBI	8,00,000
Premises	41,09,940	Provision for Employees welfare fund	6,00,000
Patents	10,00,000	Proposed dividend	1,64,000
Discount on issue of shares(written off)	25,000	Short term loan from bank	4,90,200
Trade receivables	3,66,240	Unpaid dividend	64,800
Advance tax	50,000	Profit & Loss A/c	42,980
8% Govt Bonds	3,36,000	Bills payable	85,100
Stock in trade	3,55,600	Sundry creditors	1,00,200
	76,07,100		76,07,100

--- END OF THE QUESTION PAPER ---