Dr. Babasaheb Ambedkar Open University
Term End Examination July – 2019

Course	:	**PGDF**	**Date**	:	**19/07/2019**
Subject Code	:	**PGDF-203**	**Time**	:	**11:00am to 02:00pm**
Subject Name	:	**Financial Statement Analysis**	**Duration**	:	**03 Hours**
			Max. Marks	:	**70**

Section A

Answer the following (Attempt any three) **(30)**

1. Explain Characteristics of Financial Statements.
2. Discuss Limitations of Ratio Analysis.
3. Role and Importance of Financial Accounting.
4. Explain in detail about financial Information.
5. What do you understand by portfolio? How will you analyses a portfolio? Discuss.

Section B

Answer the following (Attempt any four) **(20)**

1. Distinction between Book-Keeping and Accounting.
2. Explain Benefits of Financial Accounting
3. The following is the record of receipts of certain materials during the month of January 2006:
   Jan. 2 Received 500 Units @ Rs.20 per unit
   Jan. 3 Received 400 Units @ Rs. 21 per unit
   Jan. 15 Received 300 Units @ Rs. 19 per unit
   Jan. 28 Received 400 Units @ Rs. 20 per unit
   The physical inventory taken on 31st January. 2006 shows that there are 600 units in hand.
   Compute the inventory value on 31stJanuary, 2006 by FIFO method.
4. Write a short note on Operating Ratio.
5. Explain types of Intangible Assets.
6. Explain any five Characteristics of Financial Statements.

Section C

Part – A (Multiple Choice Questions) **(10)**

1 _____has rightly been termed as the language of the business.

A Civilization B Money
C Accounting D Financial statements

2 Financial accounting does not take into account the _____facts

A Monetary B non-monetary
C Transparent D None of above

3 Financial statements are regarded as ____of an enterprise's performance.

A Ratio B Measure
C Books D Indices

4 Average analysis is _____ over trend analysis method.

A Common size B Improvement

C Base D Not an improvement

5 The companies inform about the accounting policies used in the preparation of _____.

A Financial statements B Balance sheet

C Cash flow statement D Ledger

6 A company sources funds from _____by the issue of shares.

A Debtors B Capital

C Shareholders D Creditors

7 _____method is considered more suitable during the periods of falling prices.

A FIFO B LIFO

C Weighted average D HIFO

8 A fiscal year is a_____ month accounting cycle

A 10 B 11

C 12 D 14

9 The _____of an enterprise is the reason the enterprise exists at all.

A Revenue B Cost

C Expenses D None of above

10 _____charges are defined as contractual committed periodic interest and principal payments on leases and debt.

A Fixed B Variable

C Semi variable D All of above

Part – B (Do as Directed) **(10)**

Explain short question answers.

1 Which word is used for the profession of accountants?

2 Write a full form of GAAP.

3 Give two methods name of calculating Depreciation.

4 Which tax is created due to taxes paid or carried forward but not yet recognized in the income statement?

5 Give one important functions performed by balance sheet.

6 Give the formula of Quick Ratio.

7 Which three major elements of production cost?

8 What are bonus shares?

9 Which loans are taken by a company by pledging some of its asset?

10 Which analysis helps in investigating which part of the business is performing well and which part needs immediate attention?