## Instructions

1. All questions are compulsory.
2. Figures to the right indicate full marks.
3. Make suitable assumptions wherever necessary.
4. Start new question on new page.

## Q. 1 Do as Directed.

A).Multiple choice type questions/Fill in the blanks. (Each of 1 mark)

1. Financial statements are based on $\qquad$ .
a) Opportunity cost
c) Current cost
b) Historical cost
d) Estimated cost
2. For preparing a Common Size Income Statement $\qquad$ is taken as base.
a) Net Profit
c) Total Assets
b) Sales
d) Cost of goods sold
3. One of the following items is shown under the reserves and surplus head of the balance sheet: $\qquad$
a) Share Application Money
c) Share Premium Account
b) Calls received in Advance
d) Calls in Arrears
4.One of the following is not a content of Assets side of the balance sheet: $\qquad$ .
a) Loans and Advances
c) Miscellaneous Expenditure
b) Term Loan
d) Net Fixed Assets
5.The Auditors Report is prepared by one of the following : $\qquad$ .
a) Auditor
c) Manager
b) Sales Officer
d) Production Officer
B).Define the following. (Each of 1 mark)
4. Leverage
5. Full form of XBRL
6. Balance Sheet
7. Profitability ratio
8. Value added statement
C).Direct questions. (Each of 1 mark)
9. From the following find out: i) Opening stock ii) Closing Stock. If gross profit ratio $25 \%$, Gross Profit Rs. 3,00,000 stock velocity is 1.2 . Month and closing stock of the year is Rs. 20,000 more than the opening stock.
10. Corporate Financial Statement
11. Debtors Ratio
12. Auditor
13. Operating Ratio

## Q. 2 Answer the following questions.

A).Explain Accounting ratios and its classification. Also explain the limitations of accounting ratios.
B). From the following statement of XYZ Ltd. For the year ending $31^{\text {st }}$ March you are required to rearrange the items in the form of financial statement suitable for analysis and calculate the following ratios ( 360 days to be taken for the year) :

1. Current Ratio
2. Acid Test Ratio
3. Operating Ratio
4. Stock Turnover Ratio
5. Debtors Ratio

Balance Sheet as on 31-03-2017

| Liabilities | Rs. | Assets | Rs. |
| :--- | :---: | :--- | ---: |
| Equity Shares | 50,000 | Land and buildings | 50,000 |
| General Reserve | 40,000 | Plant and Machine | 20,000 |
| Profit \& Loss A/c | 15,000 | Stock | 15,000 |
| Sundry Creditors | 20,000 | Debtors | 25,000 |
|  |  | Cash | 15,000 |
| Total | $1,25,000$ | Total | $1,25,000$ |

Profit and Loss Account

| To Opening Stock | 25,000 | By sales | $1,80,000$ |
| :--- | ---: | :--- | ---: |
| To Purchases | $1,05,000$ | By Closing Stock | 15,000 |
| To Gross Profit | 65,000 |  |  |
| Total | $1,95,000$ | Total | $1,95,000$ |
| To Advertisement Exp. | 23,000 | By Gross Profit | 65,000 |
| To Selling Exp. | 10,000 | By Profit on sale | 5,000 |
| To financing Exp | 2,000 | Of fixed assets |  |
| To Net Profit | 35,000 |  |  |
| Total | 70,000 | Total | 70,000 |

## Q. 3 Answer the following questions.

A).Define Value added statement and also mention its advantages and disadvantages in detail.
B).Write down the meaning and utility of Common size statement
Q. 4 Attempt any two questions. (Each of 7.5 mark)

1. What are the corporate annual reports? Explain your understanding on its concepts.
2. What is XBRL? Explain the various advantages of XBRL and how was it introduced to India.
3. Balance Sheets of Quick Co. Ltd, as on $31^{\text {st }}$ March :-

| Liabilities | $31 / 03 / 2014$ | $31 / 03 / 2015$ | Assets | $31 / 03 / 2014$ | $31 / 03 / 2015$ |
| :--- | :--- | :--- | :--- | :--- | :--- |
| Eq. Share | $1,00,000$ | $1,50,000$ | Fixed Assets | $1,30,000$ | $2,23,000$ |
| General <br> Reserve | 60,000 | 20,000 | Investments | 15,000 | 12,000 |
| Profit and <br> Loss | 10,000 | 12,000 | Stock |  |  |
| $10 \%$ <br> Debentures | ------------ | 50,000 | Sundry <br> Debtors | 55,000 | 35,000 |
| Sundry <br> Creditors | 45,000 | 51,000 | Cash \& Bank | 10,000 | 15,000 |
| Provision for <br> Tax | 15,000 | 17,000 | Preliminary <br> Exp. | 8,000 | 9,000 |
|  |  |  |  |  |  |
| Total | $2,30,000$ | $3,00,000$ |  | $2,30,000$ | $3,00,000$ |

1. On $1 / 4 / 14$ bonus shares at one share for every two shares were issued by capitalizing General Reserve.
2. Income tax of Rs. 14,000 was aid during the year.
3. Interim dividend of Rs. 9,000 was paid during the year.
4. Depreciation Rs. 5,000 wass provided on Fixed assets.
5. Investments costing Rs. 5,000 were sold at a profit of Rs. 1,000 and the profit was credited to Profit and loss Account.
Prepare CASH FLOW STATEMENT.
6. How window dressing is used in corporate financial reporting? Also explain creative accounting practices adopted in window dressing.
