

**Set : A**

**Sr. No. of Question Paper :**

**Your Roll No.....**

**Unique Paper Code : 52417504**  
**Name of the Paper : Financial Reporting and Analysis**  
**Name of the Course : B.Com. CBCS**  
**Semester : V**  
**Duration : 3 hours**  
**Maximum Marks : 75 Marks**

**Instructions for Candidates**

- 1. Attempt any four questions.**
- 2. All questions carry equal marks**
- 3. Answers may be written either in English or in Hindi; but the same medium should be used throughout the paper.**

1. "Objective of financial reporting is to provide information to stakeholders in a business to permit correct decision making". Explain.
2. From the following particulars extracted from the books of Arvind Ltd. compute the Current ratio, Stock-Turnover Ratio, Creditors' Turnover Ratio, and Average Debt Collection period and comment upon the same.

	<b>31-3-2019</b>	<b>31-3-2020</b>
	<b>Rs.</b>	<b>Rs.</b>
Bills Receivable	30,000	60,000
Bills Payable	60,000	30,000
Sundry Debtors	1,20,000	1,50,000
Sundry Creditors	75,000	1,05,000
Stock-in-trade	96,000	1,44,000

Additional information: (a) On 31-12-2020, there were assets: Building Rs. 2,00,000, Cash Rs.1,20,000 and Cash at Bank Rs. 96,000. (b) Cash purchases Rs.1,38,000. (c) Cash sales Rs.1,50,000. Rate of gross profit 25% on sales and actual gross profit was Rs.1,50,000.

3. "Annual report is instrumental in communicating all important information to the stakeholders". In the light of this statement explain the important disclosures made in the annual report.
4. AS – 2 on inventory valuation gives the meaning, significance and criteria for measurement of inventory. Explain.
5. Comparative statements and Common size statements are the two basic techniques of financial statements analysis. Explain with example.

6. "Standard setting is a lengthy process" Elaborate. Are these accounting standards merely professional guidelines or mandated by law? Give reasons in support of your answer.

\*\*\*\*\*