



K.R. MANGALAM UNIVERSITY

THE COMPLETE WORLD OF EDUCATION

Roll no.....

End Semester Examination, December 2024
B.Com (H)/(P) – Vth Semester
Financial Reporting and Analysis (SMMC115A)

Time: 2.5 hrs.

Max Marks: **50**

Note: *All Questions are compulsory. Marks are indicated against each question.*

PART-A

Q.1 Attempt any 5 questions.

2x5

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|--|--------------|
| (a) What is double-entry accounting? | [CO1][L1] 2 |
| (b) Differentiate between capital and revenue expenditure? | [CO1] [L1] 2 |
| (c) Explain the going concern concept in accounting. | [CO1] [L1] 2 |
| (d) What is the current ratio, and what does it measure? | [CO1] [L1] 2 |
| (e) What is a budget, and why is it important in financial planning. | [CO1] [L1] 2 |
| (f) What is the purpose of a provision for doubtful debts? | [CO1] [L1] 2 |
| (g) What is the main purpose of a fund flow statement? | [CO1][L1] 2 |

PART-B

Q2. Compare the accrual basis of accounting with the cash basis, as outlined in accounting principles and Ind AS. [CO-2] [L-] 10

OR

Explain the key accounting conventions and their importance in preparing financial statements. [CO-2] [L-] 10

Q.3 From the given trial balance of ABC Traders, prepare Trading and P/L A/C and the Balance Sheet.

Particular	Dr	Cr	Particular	Dr	Cr
Capital		100,000	Transportation out	7,000	
Furniture	20,000		Creditors		120,000
Purchases	150,000		Provision for bad debts		6,000
Debtors	200,000		Printing and stationery	8,000	
Interest earned		4,000	Insurance expense	12,000	
Salaries	30,000		Opening stock	50,000	
Sales		321,000	Office expenses	12,000	
Purchases returns		5,000	Bank overdraft		2,000
Wages	20,000		Drawing	24,000	
Rent	15,000				
Sales return	10,000		Total	Rs. 558,000	Rs. 558,000

Additional Information:

- i. Depreciation on machinery at 10%.
- ii. Outstanding Wages and Salary are Rs. 5000 and Rs. 2000 respectively. [CO-3] [L-] 10

OR

- (a) A company has net sales of ₹10,00,000 and average total assets of ₹4,00,000. Calculate the Asset Turnover Ratio and interpret what it indicates about the company's efficiency in using its assets to generate revenue. [CO-3] [L-] 5
- (b) Company A and Company B have Asset Turnover Ratios of 2.5 and 1.8, respectively. Explain what these ratios suggest about the operational efficiency of each company, and discuss how a higher or lower Asset Turnover Ratio impacts a company's profitability. [CO-3] [L-] 5

Q.4 Using the LIFO (Last-In, First-Out) method, calculate the cost of goods sold and the ending inventory value for the period. Calculate Ending Inventory and Cost of Goods Sold (COGS) using LIFO:
Consider the following inventory data for a business:

Beginning inventory: 8 units at ₹150 each
Purchase on 10th: 12 units at ₹160 each
Purchase on 18th: 10 units at ₹170 each
Sale on 25th: 20 units

[CO-4] [L-] 10

OR

Describe the different inventory control techniques and their applications in business. [CO-4] [L-] 10

Q.5 "Assess the role of budget control in decision-making and its impact on organizational success."
[CO-5] [L-] 10

OR

Evaluate the importance of sustainability reporting in enhancing corporate transparency and accountability."
[CO- 5] [L-] 10