

AFS02 MMS-II sem

Total No. of Questions: 7

Total No. of printed pages: 2

Duration : 3 Hours

Maximum Marks : 60

Note: Question No. 7 is compulsory and carry 16 marks. All other questions carry 11 (Eleven) marks. Answer any 4 (Four) from Q. No. 1 to 6. In all 5 (Five) questions to be answered.

Q. 1 Define "Financial Statements" and discuss limitations of published financial statements to make meaningful comparison of two companies, even if both are from the same industry.

Q. 2 Are US GAAP different from Indian GAAP? Discuss.

Q. 3 Explain Liquidity Ratios and their importance in analysis of Co.'s Balance Sheet. Should the Current Ratio be more than 1(One)? Discuss.

Q. 4 Does the Leverage decide future profitability of the Co.? How does it affects Free Cash Flow for the Co. and the Equityholders? Discuss with examples.

Q.5 Who are the users of published financial statements? What do they look for into Financial statements to safeguard their interest?

Q.6 Define "Fixed Assets" and "Current Assets" as used in Balance Sheet of a Ltd. Co. Mention 10 (Ten) examples of different types of tangible fixed assets. What is included in "Inventory"?

Q. 7 From the following 2 Balance Sheets of Perfect Circle Ltd. prepare Cash Flow Statement for F.Y. 2008-09 of the Co.

	31-03-08	31-03-09		31-03-08	31-03-09
Capital & Liabilities	Rs. Lacs	Rs. Lacs	Assets	Rs. Lacs	Rs.Lacs
Eq.Sh.Capital	90	170	Goodwill	40	36
Pref.Sh.Capital	0	20	Plant & Mach.	350	380
Share Premium	0	30	Accum.Deprec.	(60)	(100)
General Reserve	236	272	S.Debtors	24	99
9.5%Debentures	102	102	Inventory	60	112
S.Creditors	14	30	Cash & Bank Balances	22	72
Prov.for I.Tax	18	12	Prepaid Exp.	14	22
			Disc.on Deb.issued	10	5
			Deferred Rev.Exp.	0	10
Total Rs.	460	636	Total Rs.	460	636

Additional information given is as below :

1. During the year co. has issued Bonus shares of Rs. 30 Lacs from its accumulated profits.
2. Part of the heavy repairs to Machinery has been carried over to next year.
3. Co. has acquired part of the machinery worth Rs. 20 lacs by issuing Pref.Shares to the supplier.
4. Part of the Goodwill and Disc. on issue of debentures has been written off during the year.