

**MBA/D-21**

**27062**

**FINANCIAL REPORTING, STATEMENTS**

**AND ANALYSIS**

**Paper–MBA-105**

Time Allowed : 3 Hours]

[Maximum Marks : 70

**Note :** Attempt **Six** questions in all. Question no. **1** is compulsory and each part of this carries **4** marks. Remaining questions are of **10** marks each.

**Compulsory Question**

1. (a) State any two managerial implications of financial statement analysis.  
(b) Explain the uses of cash flow statement.  
(c) How does accounting standards help in achieving the objective of harmonization?  
(d) What are the limitations of financial statement analysis?  
(e) Which factors are considered for make or buy decision?
2. What are the accounting concepts and conventions? Explain the steps involved in preparation of financial statements.
3. What do you mean by International Financial Reporting Standards (IFRS)? What are the objectives behind implementation of IFRS?
4. “Ratio analysis is a tool to examine the health of business with a view to make financial results more intelligible.” Substantiate in the context of start-up / new-age companies.
5. “A funds flow statement is a better substitute for an income statement.” Discuss.
6. There are two similar factories under the same management. The management desires to merge these two plants. The following particulars are available:

	Factory I	Factory II
Capacity operation	100%	60%
Sales	₹300 Lakhs	₹120 Lakhs
Variable Costs	₹220 Lakhs	₹90 Lakhs
Fixed costs	₹40 Lakhs	₹20 Lakhs

You are required to calculate the following:

- (a) What would be the capacity of the merged plant to be operated for the purpose of Break Even?
  - (b) What would be the profitability on working at 75% of the merged capacity?
7. Exemplify the procedure for preparing following budgets:
    - (a) Sales Budget
    - (b) Production budget.
  8. What do you understand by transfer pricing? What are methods used in this process?
  9. Write a detailed note on recent contemporary issues in accounting.