

Name. _____		Printed Pages:01																																						
Student Admn. No.: _____																																								
<b>School of Finance and Commerce</b> <b>Backlog Examination, June 2023</b> <b>[Programme: BBA - FIA] [Semester: III] [Batch: 2020-2023]</b>																																								
Course Title: <b>Financial Statement Interpretation &amp; Reporting</b>			Max Marks: <b>100</b>																																					
Course Code: <b>BBAF2018</b>			Time: <b>3 Hrs.</b>																																					
<b>Instructions:</b>		1. All questions are compulsory. 2. Assume missing data suitably, if any.																																						
<b>SECTION-A (15 Marks)</b>		<b>5 Marks each</b>																																						
1.	Show various components of financial reporting.	K1	CO1	5																																				
2.	Comment on the term " <i>harmonization of accounting standards</i> ".	K2	CO1	5																																				
3.	State any 5 points of difference between Indian GAAP and IFRS.	K1	CO1	5																																				
<b>SECTION-B (40 Marks)</b>		<b>10 Marks each</b>																																						
4.	Explain the need for Standardization of accounting standards for different parties.	K2	CO1	10																																				
5.	Identify, in detail, various heads considered for preparing a Cash Flow Statement.	K3	CO2	10																																				
6.	<i>"Adoption of IFRS facilitates Cross Border Capital Allocation."</i> Apply the concept of IFRS to provide valid reasons in support of the statement.	K3	CO2	10																																				
7.	Examine the given information and interpret the following income statement of Vasudev Ltd. <table border="1" style="width: 100%; border-collapse: collapse; margin-top: 10px;"> <thead> <tr> <th style="width: 50%;">Particulars</th> <th style="width: 25%;">2020 (Amt. in Rs.)</th> <th style="width: 25%;">2021 (Amt. in Rs.)</th> </tr> </thead> <tbody> <tr> <td>Net Sales</td> <td style="text-align: right;">15,00,000</td> <td style="text-align: right;">23,00,000</td> </tr> <tr> <td>Less: Cost of goods sold</td> <td style="text-align: right;">8,50,000</td> <td style="text-align: right;">12,75,000</td> </tr> <tr> <td style="text-align: right;"><b>Gross Profit</b></td> <td style="text-align: right;"><b>6,50,000</b></td> <td style="text-align: right;"><b>10,25,000</b></td> </tr> <tr> <td colspan="3"><b>Less: Operating Expenses</b></td> </tr> <tr> <td>General &amp; Administrative expenses</td> <td style="text-align: right;">1,70,000</td> <td style="text-align: right;">1,72,000</td> </tr> <tr> <td>Selling expenses</td> <td style="text-align: right;">1,60,000</td> <td style="text-align: right;">1,80,000</td> </tr> <tr> <td style="text-align: right;"><b>Profits before Interest &amp; Taxes</b></td> <td style="text-align: right;"><b>3,20,000</b></td> <td style="text-align: right;"><b>6,73,000</b></td> </tr> <tr> <td>Less: Interest on Borrowings</td> <td style="text-align: right;">25,000</td> <td style="text-align: right;">1,80,000</td> </tr> <tr> <td style="text-align: right;"><b>Profit before Tax</b></td> <td style="text-align: right;"><b>2,95,000</b></td> <td style="text-align: right;"><b>4,93,000</b></td> </tr> <tr> <td>Less: Income Tax</td> <td style="text-align: right;">70,000</td> <td style="text-align: right;">1,00,000</td> </tr> <tr> <td style="text-align: right;"><b>Profit after Tax</b></td> <td style="text-align: right;"><b>2,25,000</b></td> <td style="text-align: right;"><b>3,93,000</b></td> </tr> </tbody> </table> <p style="text-align: center; margin-top: 5px;"><b>OR</b></p> Contrast between comparative and common-size statements.	Particulars	2020 (Amt. in Rs.)	2021 (Amt. in Rs.)	Net Sales	15,00,000	23,00,000	Less: Cost of goods sold	8,50,000	12,75,000	<b>Gross Profit</b>	<b>6,50,000</b>	<b>10,25,000</b>	<b>Less: Operating Expenses</b>			General & Administrative expenses	1,70,000	1,72,000	Selling expenses	1,60,000	1,80,000	<b>Profits before Interest &amp; Taxes</b>	<b>3,20,000</b>	<b>6,73,000</b>	Less: Interest on Borrowings	25,000	1,80,000	<b>Profit before Tax</b>	<b>2,95,000</b>	<b>4,93,000</b>	Less: Income Tax	70,000	1,00,000	<b>Profit after Tax</b>	<b>2,25,000</b>	<b>3,93,000</b>	K4	CO4/ CO5	10
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<b>SECTION-C (45 Marks)</b>		<b>15 Marks each</b>																																						
8.	<i>"Economic Value-added (EVA) holds distinct importance to the business entities."</i> Identify, in detail, the concept of EVA and its importance to the business entities.	K3	CO2	15																																				
9.	<i>"The objective of financial reporting is to provide information about the financial position, performance, and changes in the financial position of an enterprise that is useful to a wide range of users in making economic decisions."</i> Examine the given statement, and explain various objectives of financial reporting.	K4	CO3	15																																				
10	Appraise, in detail, various reasons responsible for Accounting Diversity. <p style="text-align: center;">OR</p> <i>"Financial Reporting holds importance for each and every stakeholder for multiple reasons &amp; purposes."</i> Appraise the given statement.	K5	CO4	15																																				