

# **NETAJI SUBHAS OPEN UNIVERSITY**

### **POST-GRADUATE COURSE**

Assignment — June, 2020

# **COMMERCE**

Paper - XV: Financial Statement Analysis & Reporting

# QUESTION PAPER CUM ANSWER BOOKLET

(Full Marks	,									(W	eight	age o	of Mai	rks : 20%)	
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THIS OPEN		POST-GRADUATE COURSE Assignment — June, 2020										STUDENT'S COPY			
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Received Answer Booklet Signature with seal by the Study-Centre



# জরুরি নির্দেশ / Important Instruction

আগামী শিক্ষাবর্ষান্ত পরীক্ষায় (T.E. Exam.) নতুন ব্যবস্থা অর্থাৎ প্রশ্নসহ উত্তর পৃত্তিকা (QPAB) প্রবর্তন করা হবে। এই নত্ন ব্যবস্থার সঙ্গে পরীক্ষার্থীদের অভ্যস্ত করার জন্য বর্তমান অনুশীলন পত্রে নির্দেশ অনুযায়ী প্রতিটি প্রশ্নের উত্তর নির্দিষ্ট স্থানেই দিতে হবে।

New system i.e. Question Paper Cum Answer Booklet (QPAB) will be introduced in the coming Term End Examination. To get the candidates acquainted with the new system, assignment answer is to be given in the specified space according to the instructions.

## Detail schedule for submission of assignment for the

#### PG Term End Examination June-2020

Date of Publication : 20/06/2020

Last date of Submission of answer script by the student to the study : 19/07/2020

3. Last date of Submission of marks by the examiner to the study centre : 16/08/2020

Date of evaluated answer scripts distribution by the study centre to the students (Students are advised to check their assignment marks on the evaluated answer scripts and marks lists in the study centre notice board. If there is any mismatch / any other problems of marks obtained and marks in the list, the students should report to their study centre Co-ordinator on spot for correction. The study centre is advised to send the corrected marks, if any, to the COE office within five days. No change / correction of assignment marks will be

accepted after the said five days.) : 23/08/2020

Last date of submission of marks by the study centre to the Department of C.O.E. on or before

: 31/08/2020

এখানে কিছু লিখবেন না

Do Not Write Anything Here

#### **MODULE** - I

Answer any two questions:

$$12\frac{1}{2} \times 2 = 25$$

1. a) What are the different techniques of financial statement analysis?

b) With the help of the following prepare a common-size statement for the year ended 31. 03. 2019:

Administrative Expenses — Rs. 20,000

Cost of Sales — 75% of Net Sales

Selling & Distribution Expenses — Rs. 10,000

Income Tax — 20% of Net Profit before tax

Net income after tax — Rs. 48,000 Other income — Rs. 10,000.

c) Discuss any two limitations of financial statements.

$$4 + 5\frac{1}{2} + 3$$

2. a) What do you mean by Economic Value Added (EVA)? How can EVA be calculated?

b) Distinguish between P/B ratio and Tobin's Q ratio.

c) Write a short note on Return on Net Worth (RONW).

$$(3+2)+4\frac{1}{2}+3$$

3. a) How would you analyse the changes in business operations to determine whether they drive the growth in residual earnings?

b) Distinguish between non-repeating components of earnings and repetitive components of earnings.

c) What are the different 'extraordinary' items of income statement of a firm?

$$5\frac{1}{2} + 4 + 3$$

4. a) What information does a cash flow statement convey?

b) How would you prepare a cash flow statement under Indian Accounting Standard?

c) Discuss the usefulness of cash flow statement.

$$3 + 6\frac{1}{2} + 3$$

#### First Answer:











Second Answer:







#### **MODULE - II**

Answer any two questions:

$$12\frac{1}{2} \times 2 = 25$$

- 5. a) Discuss the different forms of market efficiency.
  - b) Explain the role of financial analyst in an efficient market.

 $5 + 7\frac{1}{2}$ 

- 6. a) Define sick unit according to SBI and RBI.
  - b) What are the different internal causes of corporate sickness?
  - c) When and in which areas can the operating agency prepare a scheme for revival of a sick company?  $3 + 5 + 4\frac{1}{2}$
- 7. a) Define 'merger'. How does it differ from acquisition or takeover?
  - b) Discuss the benefits of merger.
  - c) Write a short note on vertical merger.

$$3 + 6\frac{1}{2} + 3$$

- 8. a) Discuss the statutory requirements for disclosure of financial information by Indian companies.
  - b) Discuss any three emerging issues in Indian financial reporting.

# $7\frac{1}{2} + 5$

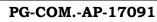
## First Answer:

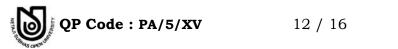




**QP Code: PA/5/XV** 11 / 16











Second Answer:







