



NETAJI SUBHAS OPEN UNIVERSITY

POST-GRADUATE COURSE

Assignment — June, 2020

COMMERCE

Paper - XV : Financial Statement Analysis & Reporting

QUESTION PAPER CUM ANSWER BOOKLET

(Full Marks : 50)

(Weightage of Marks : 20%)

Special credit will be given for precise and correct answer. Marks will be deducted for spelling mistakes, untidiness and illegible handwriting. The figures in the margin indicate full marks.

Name (in Block Letter) :

Enrolment No.

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Study Centre Name : Code :

To be filled by the Candidate	Serial No. of question answered																			TOTAL
For Evaluator's only	Marks awarded																			

Q.P. Code : **PA/5/XV**

PG-COM.-AP-17091

Signature of Evaluator with Date



NETAJI SUBHAS OPEN UNIVERSITY

POST-GRADUATE COURSE

Assignment — June, 2020

COMMERCE

Paper - XV : Financial Statement Analysis & Reporting

STUDENT'S COPY

Name (in Block Letter) :

Enrolment No.

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Study Centre Name : Code :

Q.P. Code : **PA/5/XV**

PG-COM.-AP-17091

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 পুস্তিকা (QPAB) প্রবর্তন করা হবে। এই নতুন 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**

1. Date of Publication : 20/06/2020
2. Last date of Submission of answer script by the student to the study centre : 19/07/2020
3. Last date of Submission of marks by the examiner to the study centre : 16/08/2020
4. 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
5. 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 :



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Second Answer :



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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 :



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Second Answer :



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