



Karanjia Auto College, Karanjia, Mayurbhanj

(Unit- 1)

Concept of Financial Statements

1. What are the basic financial statements?
2. What is the nature of financial statements?
3. What are the objects of financial statements?
4. What is meant by 'True and Fair View' in relation to financial statements?
5. What is meant by funds flow statements?
6. What is fund?
7. What is cash flow statement?
8. What is owner's equity?
9. What is meant by statement of retained earnings?
1. "Financial statements are the end products of Accounting System." Elucidate the statement. Discuss the objectives of financial statements.
2. What do you mean by financial statements? Discuss the nature of financial statements.
3. Define financial statements. What are the limitations of financial statements?
4. What is Balance Sheet? Why is it prepared? Discuss different views associated with the nature of balance sheet.
5. Give a specimen of balance sheet as prescribed by the Companies Act, 2013.
6. "Financial Statements reflect a combination of recorded facts, accounting conventions and personal judgements". Explain.
7. Who are the users of financial statements? Discuss how financial statements are useful to them?

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8. Give a specimen of profit and loss account (statement of profit and loss) as prescribed by the Companies Act, 2013.
9. Discuss different types of Financial Statements. What purposes do they serve?
10. Discuss the nature and objectives of Financial Statements.
11. What are the basic Financial Statements? Prepare the specimen of basic Financial Statements.

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Financial Statement Analysis

1. What is Financial Statements Analysis?
2. What are the types of financial analysis?
3. What is the internal analysis?
4. What is external analysis? 5. What is vertical analysis?
6. What is horizontal analysis?
7. What is comparative statement?
8. What is common-size statement?
9. What is trend percentage?
10. Write four objectives of Financial Statements Analysis.
11. Write two objectives of Financial Statements Analysis.
12. Give a specimen of:
 - (a) Common-size Balance Sheet
 - (b) Comparative Balance Sheet
 - (c) Common-size Income statement
 - (d) Comparative Income Statement
13. What do you understand by Financial Statements Analysis? What are its objectives?
14. Explain the method used in Financial Statements Analysis.
15. What do you mean by Comparative Statements? How do you prepare it? (Use imaginary figures).

16. What do you mean by Common-size Statement? How do you prepare it? (Use imaginary figures).
17. What do you mean by Trend Percentage? How do you prepare it? (Use imaginary figures).
18. Discuss the importance and limitations of Financial Statements Analysis.
19. "Analysis without interpretation is meaningless and interpretation without analysis is misleading". Elucidate the statement. Explain the significance of Financial Statements Analysis.
20. What is Financial Statement Analysis? Discuss the parties, who have an interest in Financial Statements Analysis.
21. Distinguish between the traditional approach and modern approach to financial statement analysis.
22. Discuss the uses of Financial Statements Analysis.
23. Discuss the problems encountered in Financial Statement and Analysis.
24. Discuss the different ways of classifying Financial Statement Analysis.

(Unit- 3)

Ratio Analysis

1. Write short note on: (a) Ratio analysis (b) Uses of accounting ratios
2. Explain the following financial ratios: (a) Liquidity ratio (b) Activity ratio (c) Capital structure ratio (d) Profitability ratio
3. State the meaning and significance of: (a) Quick ratio (b) Debtors turnover ratio (c) Gross profit ratio (d) Stock turnover ratio
4. Write short notes on: (a) Current ratio (b) Debt equity ratio (c) Operating ratio (d) Proprietary fund ratio (e) Objectives of ratio analysis
5. What is Ratio Analysis? Discuss its advantages and limitations.
6. "Accounting ratios may be misleading in the absence of absolute data"-Comment. Explain the limitations of ratio analysis.
7. What are the key questions in assessing liquidity? What ratios are used in this regard?
8. Discuss the computation and significance of the following financial ratios (a) Inventory turnover ratio (b) Current ratio (c) Debt equity ratio (d) Return on investment ratio (e) Earnings per share ratio (f) Gross profit ratio
9. Examine the relationship between liquidity, activity, solvency and profitability. Give suitable examples with imaginary figures.
10. Define Accounting Ratio? How does the same come to the use of management, investors and creditors?
11. What do you mean by profitability? What are the ratios that will reflect profitability?
12. State the significance of accounting ratios on the analysis of financial statements.
13. "Ratio analysis is a tool to examine the health of a business with a view to make financial results more intelligible." Explain.
14. What are the ratios that may reveal the soundness of capital structure and operating efficiency of a firm?
15. What are the Turnover Ratios? Discuss their significance (Any four).

(Unit- 4)

Multivariate Ratio Analysis

1. What is financial analysis?
2. What is univariate analysis?
3. What do you mean by a distribution?
4. Explain central tendency.
5. What do you mean by dispersion?
6. What is range?
7. Describe standard deviation.
8. What is bivariate analysis?
9. Explicate a scatter plot.
10. What is correlation coefficient?
11. Explain Regression analysis.
12. What is multivariate analysis?
13. What is multiple regression analysis?
14. When logistic regression analysis is to be used?
15. What is discriminant analysis?
16. What is MANOVA?
17. What is the difference between univariate and multivariate analysis?
18. Elaborate on different types of univariate techniques of statistical analysis.
19. Discuss different types of bivariate techniques of statistical analysis.
20. Explain different types of multivariate techniques of statistical analysis.
21. Discuss the practical application of univariate techniques in financial statement analysis.
22. Elaborate the practical application of multivariate techniques in financial statement analysis.
23. What is meant by Multivariate Analysis ? What are its objectives ?

(Unit- 5)

24. Discuss the uses and limitations of Multivariate Analysis.
25. Discuss the various tools use for Multivariate Data Analysis.

Cash Flow Statement Analysis

1. What is cash flow statement?
2. What are the uses of Cash Flow Statement?
3. What are the limitations of Cash Flow Statement?
4. What are the objectives of Cash Flow Statement?
5. Distinguish between Cash Flow Statement and Funds Flow Statement.
6. Distinguish between Cash Flow Statement and Cash Budget.
7. Distinguish between Cash Flow Statement and Balance Sheet.
8. Write Short Notes on: (a) Cash and Cash equivalents (b) Cash flow from operating activities (c) Cash flow from investing activities (d) Cash flow from financing activities
9. What is cash flow statement? State the procedure for preparing cash flow statement.
10. Discuss the advantages and limitations of cash flow statement.
11. Discuss the managerial uses of cash flow statement.
12. What are the different methods of calculating "Net cash flow from operating activities"? Explain the Direct Method and Indirect method of determining "Net cash flow from operating activities".
13. What do you mean by Cash Flow Statement? Give a specimen of cash flow statement as per Accounting standard -3 (Revised).
14. Discuss the reporting requirements of cash flow statement as per AS-3 (Revised).