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Roll No.

First Semester

B.Tech (Elective)

SUPPLEMENTARY EXAMINATION

Feb. -2019

FEC- 18 Financial Statement Analysis

Time: 2:00 Hours

Max. Marks: 50

Note: Answer any five questions. All carry equal marks. Assume suitable missing data, if any.

1) What is meant by the term "Generally Accepted Accounting Principles"? Explain the meaning and significance of any two of the following: a) The Going Concern principle b) Matching principle c) Dual aspect concept.

2) Explain the significance of calculating profitability ratio. Explain the different type of profitability ratio an investor will look into? Calculate Net profit Margin from the given data.

	Rs.
Sales	4,00,000
Operating Expenses	160,000
Marketable securities	80,000
Cash	120,000
Tax	40,000
Interest	20,000

3) Define the term "Assets". Explain different types of assets with suitable examples. How is it different from Liabilities of an organization.

P.T.O.

4) What is the significance of preparing Cash Flow statement by companies? State two limitations of the same.

5) "Ratio analysis is a tool to examine the health of the business with a view to make the financial results more intelligible."
Clarify this statement with suitable examples.

6) Why is financial forecasting necessary? Explain any two techniques through which financial forecasting can be done?

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