

QUESTION BANK

FINANCIAL STATEMENT ANALYSIS AND REPORTING

DSE-2

FILL IN THE BLANKS (1*30=30)

1. Security premium reserve is shown in the balance sheet under the head_____.
2. A statement which shows sources and application of funds is called_____.
3. The ideal ratio for quick ratio is_____.
4. Cash proceeds from issue of shares are shown under cash flows from _____activities.
5. Sale of fixed asset is an example of cash flow from _____activities.
6. Liquid ratio is also known as _____ratio.
7. Director's report is a type of _____report.
8. CSR stands for_____.
9. Position statement is another name for_____.
10. Financial statements are prepared based on _____costs.
11. Trade receivable is a _____asset.
12. Comparative financial statement is a tool of _____.
13. Rule of thumb for the acid -test ratio is_____.
14. Debt -equity ratio is the relationship between outside's funds and _____.
15. Horizontal analysis is also known as_____.
16. _____ratios show long-term financial position of the enterprise.
17. _____is the third party assurance on the integrated reports.
18. The statement of profit and loss is also known as_____.
19. Disclosure relating to share capital is to be given in _____.
20. An annual report is issued by a company to its _____.
21. Comparative analysis is also known as _____.
22. Cash flow statement is prepared according to AS_____.
23. Univariate analysis involves examination of cross cases of_____.
24. Debt -equity ratio is a _____ratio.
25. Gross capital employed is equal to total _____.
26. Quick asset is also known as_____.
27. Depreciation is sometimes treated as _____funds.
28. Rule of thumb for current ratio is_____.
29. Long term solvency is indicated by _____.
30. Auditor's report is a _____report.
31. GAAP stands for_____.
32. Trade payables is a sum of Sundry creditors and_____.
33. Dividend paid is an example of cash flow from _____activities.

Answer within two three sentences (2*30)

1. What is owner's equity?
2. What is a common size statement?
3. What is cross section analysis?
4. What is capital gearing?
5. What is residual analysis?
6. What is meant by integrated reporting?
7. What do you mean by corporate financial reporting?
8. Define investing activities.
9. What is operating cost?
10. What is statutory report?
11. What are intangible assets?
12. What are liquidity ratios?
13. How to calculate cost of goods sold?
14. Write formula of ROI.
15. What are liquidity ratios?
16. What is trend analysis?
17. What is Annual report?
18. What is income statement?
19. What are the sources of cash flow?
20. What is window dressing?
21. What is retained earnings?
22. What are contingent liabilities?
23. Mention any four methods of financial analysis.
24. What is working capital?
25. Write two objectives of corporate financial reporting.
26. What is interim reporting?
27. What is fund flow statement?
28. Write short notes on Deferred tax liabilities.
29. Write a short note on interest coverage ratio.
30. Define average collection period.

Answer within 75 words (3*20)

1. What is base year?
2. What is meant by intra firm comparison?
3. Explain Regression analysis.
4. Explain the limitations of multivariate analysis.
5. Distinguish between cash flow statement and balance sheet
6. What is cash ratio?
7. Describe cash flow statement
8. What is EPS? Give one example.
9. Current ratio=2.7; quick ratio=1.8 ;working capital=340000 calculate quick assets and current liabilities.
10. State three objectives of ratio analysis.

11. Discuss different types of report prepared by a company.
12. What are the objectives of sustainability reporting?
13. Write short note on interest coverage ratio.
14. Write down any three problems encountered while analyzing financial statement of an organization.
15. Give three examples of cash flow from investing activities.
16. Write short note on financial leverage.
17. Current ratio=2.6;liquid ratio=1.5; current liabilities= Rs40000. Calculate stock & current assets
18. What are the uses of preparing cash flow statement?
19. Who are the parties interested in ratio analysis?
20. Write three advantages of ratio analysis?