

QUESTION PAPER-ANALYSIS OF FINANCIAL MANAGEMENT

1. An ideal current ratio is -----

- a) 1:1 b) 2:1 c).5:1

2. Write a short note on:

- a) Inter-firm comparison b) Dynamic Analysis

3. Match the following

Flow of fund	Outsiders like creditors, banks etc
Solvency	Movement of working capital
External Analysis	Fixed Assets
Livestock	Debt/Equity ratio

4. As a commerce student can you clear the trend of the following company in relation to sales and Profit.

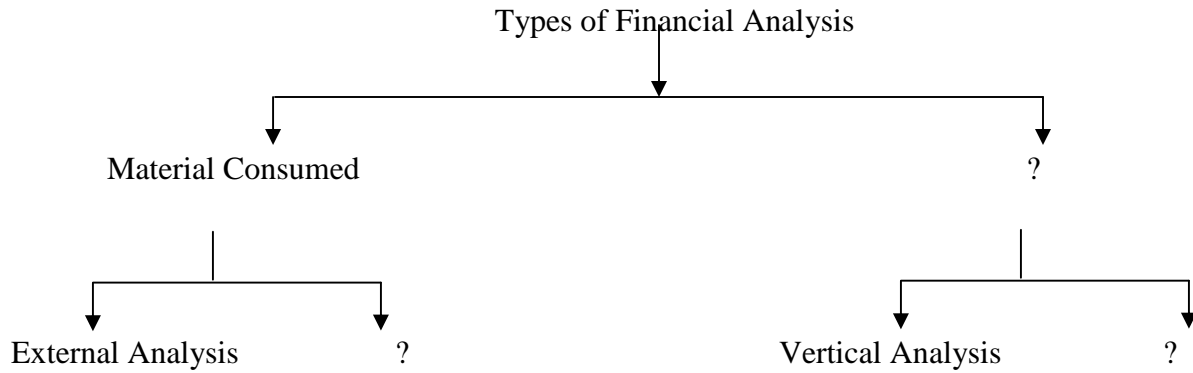
	ABC LTD			
	1996	1997	1998	1999
Sales	150000	170000	135000	185000
Profit	40000	45000	42000	55000

5. Mr Biju an accountant in a company, identified that, his working capital position is negative. He requests you to aware him, how such a condition happened from the given Balance Sheets of the company for two periods.

BALANCE SHEET

Capital & Liabilities	2000	2001	Assets	2000	2001
Share Capital	50000	50000	Fixed Assets	60000	85000
9% Debentures	20000	15000	Stock	20000	15000
Sundry Creditors	15000	30000	Sundry Debtors	18000	14000
P & L A/C	15000	20000	Cash in hand	2000	1000
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Total	100000	115000		100000	115000
	=====			=====	

6. Complete the chart



7. Rearrange the following

Miscellaneous Expenditure
Current Assets, Loans & Advances
Fixed Assets
P & L (Dr) Balance
Investment

8. Group the following items in appropriate heads

- a) Sundry Creditors
- b) General Reserve
- c) Goodwill
- d) Preliminary Expenses
- e) P & L (Cr) Balance
- f) Bank Overdraft
- g) 9% Debentures
- h) Security Premium
- i) Sundry Debtors
- j) Plant & Machinery
- k) Gilt edged securities
- l) Bills Receivable

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