



NMIMS Global Access

School for Continuing Education (NGA-SCE)

Course: Financial Accounting & Analysis

Internal Assignment Applicable for September 2023 Examination

Assignment Marks: 30

Instructions:

- *All Questions carry equal marks.*
- *All Questions are compulsory*
- *All answers to be explained in not more than 1000 words for question 1 and 2 and for question 3 in not more than 500 words for each subsection. Use relevant examples, illustrations as far as possible.*
- *All answers to be written individually. Discussion and group work is not advisable.*
- *Students are free to refer to any books/reference material/website/internet for attempting their assignments, but are not allowed to copy the matter as it is from the source of reference.*
- *Students should write the assignment in their own words. Copying of assignments from other students is not allowed*
- *Students should follow the following parameter for answering the assignment questions*

For Theoretical Answer	
Assessment Parameter	Weightage
Introduction	20%
Concepts and Application related to the question	60%
Conclusion	20%

For Numerical Answer	
Assessment Parameter	Weightage
Understanding and usage of the formula	20%
Procedure / Steps	60%
Correct Answer & Interpretation	20%

Q1. Provide the journal entries for the following along with detailed narration in the books Tristar Industries Ltd. **(10 Marks)**



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05 January 2023	Commenced business by issuing equity capital worth 25 lakhs. This amount was transferred to the current account of the business.
07 January 2023	Purchased goods worth ₹150000 on credit from Ms. Greenest Co.
11 January 2023	Sold goods to Ashray Co. for ₹575000 on credit.
13 January 2023	Purchased Machinery worth ₹725000 from ICK and cheque was issued to them for the full payment.
20 January 2023	Purchased shares of ALZ Ltd. for ₹345000 for long term investment.
29 January 2023	Paid salaries ₹125000 and rent ₹35500 from the bank account of business

Q2. Ratio analysis is an important aspect of fundamental analysis prior to considering any company for investment. Select any company of your choice and using the balance sheet & Profit & loss of the company compute the following ratios for the years 2021-22 & 2020-21 and provide your analysis: **(10 Marks)**

1. Current Ratio
2. Debt-Equity Ratio
3. Net Profit Ratio
4. Operating Profit Ratio
5. Earnings per share

Q3. Cash flow statement complements the income statement and the balance sheet summarizing all cash inflows and outflow transactions in the company within the given financial year. However, there are two different methods of preparing the cash flow statement – direct and indirect.

A) Enlist the differences between Direct and Indirect method of cash flow statement. **(5 marks)**



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B) Let's consider the case of XYZ Ltd., a manufacturing company based in India. In the fiscal year 2022, XYZ Ltd. raised INR 50 crores by issuing new equity shares and INR 100 crores by taking on long-term debt. The company also repaid INR 80 crores in long-term debt and paid INR 30 crores in dividends to shareholders. Calculate the cash flows from financial activities for the company. **(5 Marks)**
