



INDIAN SCHOOL AL WADI AL KABIR

Class: XII ACCOUNTANCY	Department: Commerce
Worksheet No: 1	Topic: FINANCIAL STATEMENT OF A COMPANY AND ANALYSIS

- When an analyst analysis the financial statements of an enterprise over a number of years, the analysis is called _____analysis.
 - Static
 - External
 - Horizontal
 - Vertical
- 'Freedom to Choose of method of depreciation' refers to which limitation of financial statement analysis.
 - Historical analysis.
 - Qualitative aspect ignored.
 - Not free from bias.
 - Ignore Price level Changes
- Financial statements are prepared on certain basic assumptions (pre-requisites) known as _____.
 - Provision of Companies Act,2013
 - Accounting Standards
 - Postulates
 - Basis of Accounting
- Find the heads and sub-heads under which the following items will appear in the balance sheet of a company as per Schedule III, Part I of Companies Act, 2013?
 - Furniture and Fixture
 - Advance paid to contractor for building under construction
 - Accrued Income
 - Loans repayable on demand to Bank
 - Employees earned leaves payable on retirement
 - Employees earned leaves cashable
- Which of the following is not a tool of Financial Statement Analysis
 - Ratio analysis
 - Cash flow Statement
 - Statement of Profit and Loss
 - Comparative Statement
- Analysis of Financial Statements is useful and significant to different users. Which of the following users is particularly short period of time ?

- (A) Labour Unions
- (B) Trade Payables
- (C) Top Management
- (D) Finance Manager

7. Which of the following is not a limitation of 'Analysis of Financial Statements' ? (A) It is just a study of the reports of the company.
 (B) It does not consider price level changes.
 (C) It ascertains the relative importance of different components of the financial position of the firm.
 (D) It may be misleading without the knowledge of the changes in accounting procedures followed by a firm.
8. Which of the following is not an objective of Financial statement Analysis
 (A) To assess the current profitability and operational efficiency of the firm.
 (B) To ascertain the relative importance of different components of the financial position of the firm.
 (C) To consider the impact of price level changes.
 (D) To identify the reasons for change in the profitability/financial position of the firm.
9. Analysis of Financial Statements is useful and significant to different users. Which of the following users is particularly short period of time ?
 (A) Labour Unions
 (B) Trade Payables
 (C) Top Management
 (D) Finance Manager
10. Which of the following tools of Financial Statement Analysis indicate the trend and direction of financial position and operating results?
 (A) Comparative statements
 (B) Common size statements
 (C) Cash flow analysis
 (D) Ratio analysis

11. Classify the following items under Major heads and Sub heads (If any) in the balance sheet of a Company as per schedule III of the Companies Act 2013.

i. Loose Tools	ii. Loan repayable on demand
iii. Provision for Retirement benefits	iv. Pre-paid Insurance
v. Capital advances	vi. Shares in Listed Companies

12. Classify the following items under Major heads and Sub-head (if any) in the Balance Sheet of a Company as per schedule III of the Companies Act 2013. (i) Current maturities of long term debts (ii) Furniture and Fixtures (iii) Provision for Warranties (iv) Income received in advance (v) Capital Advances (vi) Advances recoverable in cash within the operation cycle
13. Classify the following items under major heads and sub-heads (if any) in the Balance Sheet of the company as per Schedule III, Part I of the Companies Act, 2013 : (a) Copyrights (b) Interest Accrued on investments (c) Long-term investment in shares

14. Classify the following items under major heads and sub-heads (if any) in the Balance Sheet of the company as per Schedule III Part I of the Companies Act, 2013 : (a) Long Term Loans from Bank (b) Loose Tools (c) Outstanding Expenses
15. Classify the following items under major heads and sub-heads (if any) in the Balance Sheet of the company as per Schedule III, Part I of the Companies Act, 2013 : (a) Patents (b) Unpaid dividend (c) Prepaid Expenses
16. Classify the following items under major heads and sub-heads (if any) in the Balance Sheet of the company as per Schedule III, Part I of the Companies Act, 2013 : (a) Cheques in hand (b) Marketable Securities (c) Trademarks
17. Classify the following items under major heads and sub-heads (if any) in the Balance Sheet of a company as per Schedule III, Part I of the Companies Act, 2013 : (i) Calls in advance (ii) Mining rights (iii) Loose tools
18. Classify the following items under major heads and sub-heads (if any) in the Balance Sheet of the company as per Schedule III, Part I of the Companies Act, 2013 : (i) Unclaimed dividend (ii) Raw materials (iii) Capital Work-in-Progress
19. Classify the following items under major heads and sub-heads (if any) in the Balance Sheet of the company as per Schedule III, Part I of the Companies Act, 2013 : (i) Livestock (ii) Accrued incomes (iii) Unpaid dividend
20. Classify the following items under major heads and sub-heads (if any) in the Balance Sheet of the company as per Schedule III, Part I of the Companies Act, 2013 : (a) Mining Rights (b) Loose Tools (c) Income Received in Advance