



ACCOUNTS

BOOKS - SULTAN CHAND & SONS

ACCOUNTS (HINGLISH)

FINANCIAL STATEMENT ANALYSIS

Questions

1. Do you think that Financial Statement Analysis is a post-mortem of business

transactions?



View Text Solution

2. What is Horizontal Analysis?



View Text Solution

3. What is meant by Vertical Analysis?



View Text Solution

4. Both Horizontal and Vertical Analyses are complementary in nature. Explain.



[View Text Solution](#)

5. Why Vertical Analysis is also known as Static Analysis?



[View Text Solution](#)

6. What is meant by Intra-firm Comparison?



[View Text Solution](#)

7. What is meant by Inter-firm Comparison?



[View Text Solution](#)

8. Distinguish analysis and interpretation of financial statements.



[View Text Solution](#)

9. Is financial analysis helpful in assessing the financial position of a concern?



[View Text Solution](#)

Very Short Answer Type Questions

1. What is meant by Financial Statement Analysis?



[View Text Solution](#)

2. Name any two tools of analysis of Financial Statements.



[View Text Solution](#)

3. What is Cross- sectional Analysis?



[View Text Solution](#)

4. What is a Time Series Analysis?



[View Text Solution](#)

5. Why is an inter-firm comparison useful?



[View Text Solution](#)

6. What is horizontal Analysis of Financial Statements?



[View Text Solution](#)

7. What is meant by Vertical Analysis of Financial Statements to 'Top Management'.



[View Text Solution](#)

8. State the significance of Analysis of Financial Statement to 'Top Management'.



[View Text Solution](#)

9. Why are investors interested in analysing Financial Statements?

 [View Text Solution](#)

10. Why are the financial institutions interested in analysing Financial Statements?

 [View Text Solution](#)

11. Why is public interested in analysing Financial Statements?



View Text Solution

12. State any one objective of Financial Statement Analysis.



View Text Solution

13. OBJECTIVES OF ANALYSIS OF FINANCIAL STATEMENT



[Watch Video Solution](#)

14. OBJECTIVES OF ANALYSIS OF FINANCIAL STATEMENT



[Watch Video Solution](#)

15. What is meant by 'Solvency of Business'?



[View Text Solution](#)

16. How the solvency of a business is assessed by Financial Statement Analysis?



[View Text Solution](#)

17. State any two limitations of Financial Statement Analysis.



[View Text Solution](#)

18. How is Window Dressing a limitation of Financial Statement Analysis.



View Text Solution

19. How does 'subjectivity' become a limitation of Financial Statement Analysis?



View Text Solution

20. Name two parties interested in Financial Statement Analysis.



View Text Solution

21. State why shareholders are interested in Financial Statement Analysis.



View Text Solution

22. State why creditors for goods are interested in Financial Statement Analysis.



View Text Solution

23. State the interest of Trade Unions in the Analysis of Financial Statements.



View Text Solution

24. State the interest of management in the Analysis of Financial Statements.



View Text Solution

25. State how qualitative aspects are ignored in Financial Statement Analysis.



View Text Solution

26. How is the Financial Statement Analysis useful to Financial Manager?



View Text Solution

27. State the significance of Analysis of Financial Statement to the 'Lenders'.



View Text Solution

28. State the significance of Analysis of Financial Statement to the 'Creditors'.



View Text Solution

29. State one advantage of Financial Statement Analysis.



View Text Solution

30. State any one limitation of 'Analysis of Financial Statement'.



View Text Solution

Short Answer Type Questions

1. What is meant by 'Analysis of Financial Statement'? State any two objective of such an analysis.



View Text Solution

2. What is meant by Financial Statement Analysis? State any two limitations of it.

 [View Text Solution](#)

3. Briefly explain the various Financial Statement Analysis techniques.

 [View Text Solution](#)

4. State any three advantages and three limitations of Analysis of Financial Statements.

OR

State any two limitations and any two objectives of 'Analysis of Financial Statements'.



[View Text Solution](#)

5. List any three objective of Analysing the Financial Statements.

Or

State the objectives of 'Analysis of Financial Statements'.

Or

State any two objectives of 'Analysing of Financial Statements'.



[View Text Solution](#)

6. What is meant by Analysis of Financial Statements? How is it useful for (a) Creditors, (b) Management, (c) Investors, (d) Employers, (e) Government, and (f) Customers?



[View Text Solution](#)

7. Briefly explain limitations of Financial Statement Analysis.

Or

State any four limitations of 'Analysis of Financial Statement'.

Or

State any two limitations of 'Analysis of Financial Statements.'



[View Text Solution](#)

8. Differentiate between Intra-firm and Inter-firm Analysis.



View Text Solution

9. Discuss the advantages of Financial Statement Analysis.



View Text Solution

10. What is meant by Analysis of Financial Statements? How is it important from the viewpoint of creditors and management?



View Text Solution

11. What is meant by Analysis of Financial Statements ?



View Text Solution

12. What is meant by Analysis of Financial Statement ? What is the interest of the management and shareholders in such an analysis?



View Text Solution

13. What is meant by Analysis of Financial Statements ? How is it useful to investors and employees ? Explains in brief.



View Text Solution

14. How is the Analysis of Financial Statements useful to potential investors and tax authorities? Explain in brief.



View Text Solution

15. How is Analysis of Financial Statements important to Government Authorities ?



View Text Solution

16. Why is Analysis of Financial Statements important to Creditors?



View Text Solution