DIRECTORATE OF DISTANCE EDUCATION
NALSAR UNIVERSITY OF LAW, HYDERABAD

Post-Graduate Diploma in Financial Services and Legislations

Academic Year: 2020-2021

Second Semester–Take Home Examination (June, 2021)

Paper I - 1.2.4. Financial Reporting & Analysis

TOTAL MARKS: 50

INSTRUCTIONS TO CANDIDATES

a) **Read the instructions for Take Home Examination carefully and adhere to the same.**
b) **Please mention your name, ID No., subject name and total number of pages on the Answer Sheet.**
c) **Clearly indicate the question numbers while answering them.**
d) **Since this is a take home exam, we expect your answers to be analytical rather than straight answers.**
e) **Answer very elaborately to each question with minimum 1500 words. Tables, Images and other infographics can be used but will not be included in the minimum word/page count.**
f) **Each page should have 1 inch margin on all sides. Times new roman Font with Font size 12 and single line spacing should be used throughout.**
g) **Mere filling of pages will not attract marks. Marks will be awarded based on the strength of content and the underlying analysis done.**
h) **You may use graphs and charts. But they shall be clearly cited.**
i) **Answer all the questions.**
j) **Copying from any source including from other students is strictly prohibited. Plagiarism is considered as a serious academic mis-conduct and the University will take action as it deems fit.**

Note to Candidates : Download the latest audited annual report of the company assigned to you from internet, answer Question No1 & 2. Attach the annual report along with your answer script while submitting the answer sheet. The Annual Report and the Answer Sheet should be merged as one pdf file and the same should be uploaded in the google form link provided for the said subject.

Question 1: Case Study (10 Marks)

You have been appointed for due diligence engagement of a Company. You are part of the consulting team and you have been given the area of employee benefits and payroll. As a part of preparedness, the Manager has asked you to prepare a draft report considering any annual report available on a public domain. You have been asked to cover various aspects of employee benefits including the accounting standards, the details of various employee benefits paid by the

Company, variances as compared to previous year, statutory reporting requirements, various assumptions involved in determination of employee benefits, etc. Also, indicate the source/document in the annual report from which the report has been prepared.

Question 2: Case study (20 Marks)

The Company is evaluating to overhaul its inventory process and reporting. You are part of the Finance team. You have been asked to prepare a detailed report covering various aspects of inventory accounting, reporting, key parameters including industry issues. Also briefly touch upon the matters relating to inventory reported by the Statutory Auditors in the Audit Report.

Question 3 (5 X 4=20 Marks)

Comment on the following, quoting reference of the applicable Accounting Standard and examples:

(a) Earnings per share (EPS) indicates the Company's profitability

(b) Computation of effective tax rate

(c) Consolidated Financial Statements

(d) Reporting of exceptional income in the financial statements

(e) Disclosures relating to equity share capital