



Assignment Questions (Session 2024-25)

Class XII Commerce

Subject: Accountancy (055)

Ch.2 Financial Statement Analysis

Multiple Choice Questions:

1. Feature of financial analysis is to present the data contained in financial statements in

- (A) Easy form
- (B) Convenient and rational groups
- (C) Comparable form
- (D) All of the Above

2. Which analysis is considered as dynamic :

- (A) Horizontal Analysis
- (B) Vertical Analysis
- (C) Internal Analysis
- (D) External Analysis

3. Which analysis is based only on one year's data :

- (A) Cash Flow Statement
- (B) Dividend Analysis
- (C) Vertical Analysis
- (D) Horizontal Analysis

4. Financial analysis becomes significant because it :

- (A) Ignores price level changes
- (B) Measures the efficiency of business
- (C) Lacks qualitative analysis
- (D) Is effected by personal bias

5. For whom analysis of financial statements is not significant?

- (A) Political Adviser of Prime Minister
- (B) Investors
- (C) Management
- (D) Financial Institutions

Other Questions:

6. What is vertical analysis of financial statements?

7. What is horizontal analysis of financial statements?

8. Explain any three limitations of analysis of financial statements.

9. Explain advantages or objectives of financial statements analysis.

10. Why is analysis of financial statements important to creditors?

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