## 43 Lecture - MGT101

## **Important Subjective**

1. What are the key financial statements that are required to be submitted by listed/quoted companies?

Answer: The key financial statements required by listed/quoted companies are the income statement, balance sheet, and cash flow statement.

2. How do financial statements of listed/quoted companies differ from those of private companies?

Answer: Financial statements of listed/quoted companies are subject to more stringent regulations and guidelines, and must comply with the reporting requirements of regulatory bodies such as the SEC and FRC.

- 3. What information can be derived from a company's income statement?

  Answer: The income statement shows a company's revenues and expenses, and provides information on its profitability and performance.
- 4. How does a balance sheet differ from an income statement? Answer: The balance sheet shows a company's assets and liabilities, and provides information on its financial position and liquidity, while the income statement shows a company's revenues and expenses.
- 5. What does the cash flow statement show?

Answer: The cash flow statement shows a company's cash inflows and outflows, and provides information on its cash position and ability to generate cash.

- 6. What is the purpose of financial statements of listed/quoted companies?

  Answer: The purpose of financial statements of listed/quoted companies is to provide information to investors and analysts to aid in making informed investment decisions.
- 7. How can financial statements be used to evaluate a company's financial health? Answer: Financial statements can be used to evaluate a company's financial health by analyzing its profitability, liquidity, solvency, and risk management.
- 8. How do regulatory bodies such as the SEC and FRC ensure the accuracy and reliability of financial statements?

Answer: Regulatory bodies enforce strict reporting requirements and guidelines, and may conduct audits and investigations to ensure the accuracy and reliability of financial statements.

9. How do changes in accounting standards impact financial statements of listed/quoted companies?

Answer: Changes in accounting standards may impact the way financial statements are prepared and presented, and may affect the comparability of financial statements over time.

10. How can financial statements be used to compare the performance of different companies in the same industry?

Answer: Financial statements can be used to compare the performance of different companies

in the same industry by analyzing key financial ratios and metrics, such as return on equity and debt-to-equity ratio.