1. Finance and Accounting – Meaning
Question:
What is the primary difference between finance and accounting?

Answer:
Finance is concerned with the management of funds, focusing on investment, capital structuring, and financial decision-making. Accounting, on the other hand, involves recording, summarizing, and reporting financial transactions to provide a clear picture of a company's financial position.

2. Types of Companies
Question:
What are the two main types of companies based on ownership structure?

Answer:
The two main types of companies based on ownership structure are:
1. Private Limited Company (Ltd) - Owned privately by shareholders, with shares not publicly traded.
2. Public Limited Company (PLC) - Owned by public shareholders, with shares traded on stock exchanges.

3. Financial Statement Analysis
Question:
What is the purpose of financial statement analysis?

Answer:
The purpose of financial statement analysis is to evaluate a company's financial health and performance by examining its financial statements. It helps stakeholders make informed decisions regarding investment, lending, and management.

4. Financial Statement Analysis – On the Basis of Materials Used
Question:
What is horizontal analysis in financial statement analysis?

Answer:
Horizontal analysis involves comparing financial data across multiple periods to identify trends, growth patterns, or declines. It is often presented in a percentage form to show relative changes over time.

5. Financial Statement Analysis – On the Basis of Modus Operandi
Question:
What is vertical analysis in financial statement analysis?

Answer:
Vertical analysis expresses each item in a financial statement as a percentage of a base figure within the same statement. For example, in an income statement, each line item is expressed as a percentage of total sales.

6. Comparing Financial and Non-Financial Listed Companies' Performance

Question:
How does the performance evaluation differ between financial and non-financial companies?

Answer:
Performance evaluation in financial companies often focuses on metrics such as return on assets (ROA), return on equity (ROE), and net interest margin. In non-financial companies, performance is typically evaluated based on operating income, profit margins, and asset turnover ratios.