**Student ID: 16576 Page no 1**

**Paper of Advance corporate finance**

**Q.1**

 Permeably the current stock value reflects the risk, timing and magnitude of all future cash flows both short term and long term. If this is correct then the statement is false.

**Q.2**

 Because the acknowledge and making principles in financial accounting call for revenues, and the costs associated with those revenues to be booked when the revenues process is necessary compete not extremely important when cashes collected or bills are paid Note that the way accountants have selected to do it.

 The bottom line number show the different in the cash balance on balance sheet. Such as I is not useful number for analyzing a company.

**Q.3**

 Time trend to make a picture of changes in the organization financial situation is over time. Comparing a firm to itself overtime permit the financial manager to determine whether so aspect of the firms operation, finance or investment activities have changed peer group analysis includes comparing the financial ratios and operating performance of a special firm to a set of peer group firms in the same industry or line of business. Comparing a firm to its peers allows the financial manager to determine whether some aspects of the business operation, finance, or investment activities are out of line with the harm, thereby available some guidance on appropriate actions to get to adjust these ratio if important. But allow to try find out the fact about into what is different about a company from a financial perspective, but also not method gives an indicate whether the difference is positive or negative. For example suppose a company current ratio is increasing over time. It could mean that the company had been facing liquidity problems in the past and is rectifying those problems or it mean the company has become low energy in managing its current accounts. Some arguments could be made for a peer group comparison. A company with a current ratio lower than its peers could be facing efficient at managing its current accounts, or it could be facing liquidity problem. Neither analysis method tell us if it is ratio is good or bad both show that something is change and tells us were to took.