



PJ-507

100422

III Semester M.Com. Examination, January - 2020
(CBCS Scheme)

COMMERCE

3.2 AT : CORPORATE FINANCIAL REPORTING

Time : 3 Hours

Max. Marks : 70

SECTION - A

1. Answer **any seven** questions from the following. Each question carries **two** marks. **7x2=14**
- (a) What do you mean by non-monetary assets ?
 - (b) State the objectives of Government Grants Accounting.
 - (c) What do you mean by impairment loss ?
 - (d) List out the complete set of financial statements as per IAS 1.
 - (e) State the functions of IFAC.
 - (f) What are the basic assumptions of US GAAP ?
 - (g) Which method of inventory valuation is recognized under IFRS ?
 - (h) Give the meaning of RNBCs.
 - (i) What do you mean by Human Resource Reporting ?
 - (j) Define Shareholders value added.

SECTION - B

Answer **any four** questions. Each question carries **five** marks.

4x5=20

- 2. What do you mean by GAAP ? Explain the Assumptions and Principles of US GAAP.
- 3. Explain issues and problems with special reference to published financial statements.
- 4. Explain the functions of IFAC.

P.T.O.



5. Briefly explain the relationship between Economic value added and Market value added.
6. How can organizations strategically manage CSR through triple bottom line reporting ?
7. BAT Ltd. Supplies the following information using which you are required to calculate the economic value added.

Financial Leverage	1.4 times	
Capital (Equity and Debt)	Equity shares of ₹ 1000 each Accumulated profit 10% Debentures of ₹ 10 each	34000 (number) ₹ 260 lakhs 80 lakhs (number)
Dividend expectations of equity shareholders	17.5%	
Prevailing Corporate Tax rate	30%	

SECTION - C

Answer **any three**. Each question carries **twelve** marks.

3x12=36

8. Write a note on :
 - (a) Investments in Associates and Joint ventures
 - (b) Accounting for Investments
 - (c) Accounting for Research and development activities
 - (d) Impairment of assets
9. Explain the reporting process followed under Triple bottom line reporting.
10. Briefly explain the nature of risk arising from financial instruments.
11. Explain the differences between RNBCs and NBFCs.



12. From the following Profit and Loss account of New Mode Reporting Ltd., prepare a gross value added statement for the year ended 31st December, 2014. Show also the reconciliation between GVA and Profit before taxation :

Profit and Loss Account

	(₹ 000)	(₹ 000)
Income		
Sales	12,480	
Other Income	<u>110</u>	12,590
Expenditure		
Production and Operational expenditure	8,640	
Administrative expenses	360	
Interest and other charges	1,248	
Depreciation	<u>32</u>	(10,280)
Profit before tax		2,310
Less : Provision for tax		<u>(110)</u>
Profit after tax		2,200
Add : balance as per last Balance Sheet		<u>120</u>
		2,320
Less : Transfer to fixed assets replacement Reserve	800	
Dividend paid	<u>320</u>	(1,120)
Surplus carried to Balance Sheet		<u>1,200</u>

Additional Information :

	₹
(i) Production and Operational expenses consists of	
Consumption of Raw materials	64,20,000
Consumption of Stores	80,000
Local tax	16,000
Salaries to Administrative staff	12,40,000
Other Manufacturing expenses	8,84,000
(ii) Administrative expenses include salaries and commission to directors	10,000
(iii) Interest and other charges include :	
(a) Interest on bank overdraft	
(Overdraft is of temporary nature)	2,18,000
(b) Fixed loan from SIDBI	1,02,000
(c) Working capital loan from IFCI	40,000
(d) Excise duties	?
(iv) Excise duties amount to one-tenth of total value added by manufacturing and trading activities	