

**SARASWAT EDUCATION SOCIETY'S  
SRIDORA CACULO COLLEGE OF COMMERCE & MANAGEMENT STUDIES  
KHORLIM, MAPUSA, GOA.  
T.Y.BCOM FIFTH SEMESTER END EXAMINATION NOVEMBER 2023**

**ACCOUNTING MAJOR IV: FINANCIAL REPORTING (DSE4)**

[Duration: Two Hours]  
(W.E.F 2019-20) (CBCS)

[Max Marks: 80]  
Total No. of Printed Pages: 03

Instructions: 1. **Question No. 1 is compulsory.**

2. Answer **ANY 3** from questions no. **Question No. 2 to 6.**

3. Figures to the right indicate **maximum marks** allotted to question/sub-question.

4. Start **each main question** on fresh page.

5. Mention working note required wherever necessary.

Q.1a) JCB Ltd. constructed a fixed asset and incurred the following expenses on the construction: **(5 marks)**

Particulars	Rs.
Materials	Rs. 20 lakhs
Direct Expenses	Rs. 5 lakhs
Direct Labour (1/3 <sup>rd</sup> of Labour was used for construction)	Rs. 6 lakhs
Office and Administration Expense (10% is chargeable to construction)	Rs. 10 lakhs

Calculate the cost of the fixed asset.

Q.1b) Sesa Goa Ltd. gave 20,000 equity shares of Rs. 10 each (fully paid up) in consideration for supply of certain equipment by Dilip Buildcon Ltd. The shares exchanged for machinery are quoted on Bombay Stock Exchange (BSE) at rs. 15 per share, at the time of transaction. In the absence of fair market value of the equipment acquired, how will the value of machinery be recorded in the books of the company? **(5 marks)**

Q.1c) Comment on the following financial results.

**(5 marks)**

Particulars	FY 2021	FY 2022
Revenue from Operations	6000	4500
Other income	100	50
Total Income	6100	4550
Less: Administrative Expenses	250	200
Less: Provisions and contingencies	280	250
Profit before finance costs and taxes	5570	4100
Less: Finance Costs	3500	2400
Profit before tax	2070	1700
Less: Tax expense	600	450
Profit after Tax	1470	1250

Q.1d) A machinery costing Rs. 10 lakhs has a useful life of 5 years. At the end of 5 years, its scrap value would be Rs. 2 lakhs. How much depreciation is to be charged in the books of the company as per Accounting Standard-10? **(5 marks)**

Q.2) From the following Profit and Loss Account of Ultima Goa Ltd., prepare Value Added Statement and show the reconciliation between Value Added and Profit before taxation.

**Profit and Loss account for the year ended 31<sup>st</sup> March 2022**

Particulars	Rs. (in lakhs)	Rs. (in lakhs)
<b>Income</b>		
Sales		1000
Other Income		200
		1200
<b>Expenditure</b>		
Production and Operational Expenses	500	
Administrative Expenses	50	
Interest and Other charges	50	
Depreciation	30	630
Profit before taxes		570
Provision for tax		120
		450
Balance as per last Balance Sheet		50
		500
<b>Transferred to</b>		
General Reserve		100
Proposed Dividend		50
Surplus carried to Balance Sheet		350

Particulars	Rs. (in lakhs)	Rs. (in lakhs)
<b>Break-up of some of the Expenditure is as follows:</b>		
Production and operational expenses:		
Consumption of raw materials and stores	300	
Salaries, Wages and bonus	50	
Cess and Local Taxes	30	
Other Manufacturing Expenses	120	500
<b>Administrative Expenses</b>		
Audit fee	10	
Salaries and commission to directors	20	
Provision for doubtful debts	10	
Other expenses	10	50
<b>Interest and other charges</b>		
On working capital loan from Yes Bank	20	
On long term loan from HDFC Bank	20	
On debentures	10	50

Q. Infotainment Pvt. Ltd. has identified the following segments: (20 marks)

Particulars	Radio	Television	Social Media	Print Media	Hoardings	Events
<b>Segment Revenue</b>						
External Sales	300	100	150	500	200	800
Inter Segment Sales	100	40	50	200	50	200
Total	400	140	200	700	250	1000
<b>Segment Results</b>						
Profit/Loss	100	80	50	-100	80	600
Assets	800	500	200	250	500	1500

Decide the reportable segments.

Q.4A) Explain the differences between Ind AS, IFRS and AS with respect to the following:- (10 marks)

- a. Intangible Assets
- b. Consolidation of financial statements.
- c. Fixed assets and depreciation.
- d. Inventories valuation.
- e. Income statement-bifurcation of cost.

Q.4B) A company acquired a machine on 1<sup>st</sup> April 2015 for Rs. 10,00,000. The company charged depreciation upto 2017-18 on straight line basis with estimated working life of 10 years and scrap value of Rs. 1,00,000. From 2018-19, the company decided to change the depreciation method at 20% on reducing balance method. Compute the amount of depreciation to be debited to Profit & Loss Account for the year 2018-19. (10 marks)

Q.5A) Explain the various users of Financial Statements. (10 marks)

Q.5B) State and explain the qualitative characteristics of Financial Reports. (10 marks)

Q.6) Answer **ANY FOUR** of the following questions: (4x5= 20 marks)

- a. Explain Corporate Social Responsibility reporting.
- b. Describe the components of Financial Reporting.
- c. What are accounting conventions?
- d. Explain the difference between Indian GAAP and US GAAP.
- e. Elaborate on Ind AS 10 (Property, Plant and Equipment).
- f. Explain Human Resource Reporting and Interim Reporting.

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