

Goa Vidyaprasarak Mandal's
GOPAL GOVIND POY RAITURCAR COLLEGE OF COMMERCE AND
ECONOMICS, PONDA-GOA
B.COM. CBCS (SEMESTER – V) EXAMINATION, AUGUST 2020
ACCOUNTING
FINANCIAL REPORTING (DSE-4)

Duration:- 2 hours

Marks: 30

Instructions; 1) All questions are compulsory

2) Give working notes wherever is necessary.

Q. 1) Answer any FIVE from the following : (5x2=10)

- a) Financial reporting
- b) Motives of the financial disclosure
- c) Corporate social responsibility reporting
- d) Indian GAAP
- e) Financial statements
- f) Value Added Statement
- g) Indian Accounting Standards
- h) International Financial Reporting System

Q.2) Answer any FOUR from the following : (4x5=20)

- a) Explain the qualitative characteristics of financial report.
- b) Describe the concept of Fair Value.
- c) ABC Ltd provides the following information about its transactions for the year ended 31st March, 2020:

Transactions

Transactions	₹
Goods sent to the customer on accept or return basis on 1 st March, 2020 but the customer accepted 60% of the goods and returned the remaining goods to the company on 15 th April, 2020.	10, 000
Sold goods to the customer on 20 th March, 2020 but at the request of the customer these goods were delivered on 5 th April, 2020.	25, 000
Goods sold on consignment basis, of which 30% of the goods remained unsold with the consignee on 31 st March, 2020	1,00, 000

State with valid reasons on the sales to be recognized as revenue in the above cases as per the provisions of AS- 9 'Revenue Recognition' for the year ended 31st March, 2020.

- d) Aaj Ltd. obtained a loan from Z bank of ₹ 120 lakhs on 1st April, 2019. It utilized the loan amount for the following;

	₹ in lakhs
i) Construction of shed	50
ii) Purchase of machinery	40
iii) Working capital	20
iv) Advance for purchase of truck	10

Construction of shed was completed in March 2020. The machinery was installed on the same day. The truck was not yet received. The total interest charged by the bank for the year 2019 was ₹18 lakhs.

Calculate the interest to be capitalized and the interest to be adjusted with the profit.

- e) Zen Ltd. has two divisions viz., 3G and 4G. The details of the turnover, Results and assets of the divisions are as follows;

Turnover (₹ in 000)

Divisions	₹
a) Division 3G	
Domestic sales	450
Sales to 4G	22, 875
Export sales	30, 675
b) Division 4G	
Domestic Sales	225
Export sales to Sri Lanka	1, 500

Results and Assets (₹ in 000)

Particulars	Head office	3G	4G
Operating profit before tax		1, 200	150
Re-allocated cost from Head Office		360	180
Interest cost		30	37
Fixed assets	375	1, 500	300
Net current assets	360	900	300
Long term liabilities	285	150	75

Prepare a Segment Report for Zen Ltd. group from the above information.

- f) Find out the total value of human resources of skilled and unskilled workers of X YZ Ltd according to Lev and Schwartz model from the following information;

Particulars	Skilled	Unskilled
Average annual earnings of a worker till the date of retirement	60, 000	40, 000
Age of retirement	62	60
Discount rate	15%	15%
No. of workers in the group	40	50
Average age	59	58