

B.V. Patel Institute of Business Management, Computer & Information Technology
UkaTarsadia University
2nd Internal Exam

040170305- Corporate Financial Reporting

Class: M.COM (III)

Date: 9th Oct, 2017

Marks: 50

Time: 2hrs.

Q.1 Answer the following. (Any Five)

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1. What are the objectives of AS 18?
2. Mention six areas in which different accounting policies are followed by companies?
3. Define NBFCs.
4. What is Employee Share Based Payment?
5. State the meaning of Merchant bankers.
6. What is Sustainability Reporting?

Q2. Answer the following. (Any Two)

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1. **a)** An earthquake destroyed a major warehouse of ABC Ltd. on 20/5/2016. The accounting year of the company ended on 31/3/2016. The accounts were approved on 30/6/2016. The loss from earthquake is estimated to Rs. 30 lakhs. State with reasons, whether the loss due to earthquake is an adjusting or non-adjusting event and how the fact of loss is to be disclosed?
b) Ganga Ltd. purchased an existing bottling unit from Jamuna Ltd. Jamuna Ltd. followed W.D.V method of charging depreciation on machinery of the sold unit whereas Ganga Ltd. followed S.L.M. in its other units. The directors of Ganga Ltd. want to continue charging WDV method of depreciation to its new machinery which is not consistent with the S.L.M. method followed in other units. Discuss the intention of the directors with reference to the AS. Further during the year, Ganga Ltd. set up a new plant on coastal region. In view of the corrosive climate, the company felt that its machine life is reducing faster. Can the company charge higher rate of depreciation?
2. Discuss in detail the organizational advantages of TBL reporting.
3. A Mutual fund raised fund on 1-4-2016 by issuing 10 lakhs units @ Rs. 17.5 each. Out of this fund of Rs. 160 lakhs invested in capital market instruments. The initial expenses amounted to Rs. 9 lakhs. During the month of June, the Fund sold certain securities of Rs. 100 lakhs @ Rs. 125 lakhs and bought certain securities for Rs.90 lakhs. The fund management expense amounting to Rs. 5 lakhs per month. The dividend earned during the year Rs. 3 lakhs. 80 % of the realized earnings were distributed to the unit holders. The market value of the portfolio was Rs. 175 lakhs. Determine NAV per unit as on 30-6-2016.

Q3. Answer the following. (Any Two)

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1. Explain the Advantages of XBRL.
2. Which books of accounts are to be maintained by Merchant bankers and Broker's?
When should the changes in the method of depreciation be made? How should the change in the method of
3. depreciation be accounted for? What are the disclosure requirements regarding changes in accounting method?