



LOYOLA COLLEGE (AUTONOMOUS), CHENNAI – 600 034

B.Com. DEGREE EXAMINATION – COMMERCE

FOURTH SEMESTER – APRIL 2023

UCO 4602 – FINANCIAL REPORTING AND ANALYSIS

Date: 06-05-2023

Dept. No.

Max. : 100 Marks

Time: 09:00 AM - 12:00 NOON

SECTION A - K1 (CO1)

Answer ALL the Questions

(10 x 1 = 10)

1. Fill in the blanks

- a) Z paid his college fees of Rs.1 lac. This (reduces / increases) his net worth by Rs.1 lacs. -----
- b) The liability of the partner is (limited/ unlimited) -----
- c) The net profit after tax for the year was Rs.60,00,000. There was no change in working capital during the year. Depreciation for the year was Rs.10,00,000 and deferred tax expense included in tax expense was Rs.2,00,000. Tax paid during the year was equal to current tax expense. Cash flow from operating activities is -----
- d) Proceeds from issue of fresh equity are classified as cash flow from ----- activities.
- e) Cash inflow from sale of an item of Property, Plant and Equipment (PP&E) is classified as -----
-

2. True or False

- a) The lease rent earned by R Ltd which is a retailer of branded fashion garments, by leasing 20% of space in its showrooms located across India to retailers of fashion accessories, should be recognized as 'other income'.
- b) The boundary between bookkeeping and accounting has been blurred with the extensive use of computer and accounting software.
- c) Cash flow statement reconciles operating cash balance and closing cash balance.
- d) The terms 'depreciation', 'Amortisation' and 'depletion' are used interchangeably.
- e) Sale of an item of PP&E retired from use in the normal course of business is an exceptional item.

SECTION A - K2 (CO1)

Answer ALL the Questions

(10 x 1 =

10)

3. MCQ

- a) Which of the following is a disadvantage of the financial statements?
(a) The ability to tell if a business would be able to pay the debts
(b) Determining the sources and uses of cash in the organization
(c) Chance of manipulation in the report for obtaining debt that the organization cannot payback
(d) A yearly report that the investors can refer to
- b) Which of the following can be a part of financial reports?
(a) The report regarding the financial result of the organization
(b) The report with details about the financial position of the organization
(c) The report regarding the flow of cash of the organization
(d) All of the above
- c) Which of the following is the most suitable statement for explaining the statement of cash flows?
(a) Report regarding the assets, equity and liabilities

- (b) Report explaining the purpose of business
- (c) Report regarding the changes in the flow of cash for a particular time
- (d) Report regarding the working and functioning of the organization

- d) Out of the following options, which is the most suitable with regards to the balance sheet
- (a) Liabilities = Assets + Shareholders Equity
 - (b) Shareholders Equity = Assets + Liabilities
 - (c) Assets = Shareholders Equity + Liabilities
 - (d) Assets = Shareholders Equity – Liabilities

- e) Which of the following options is the most suitable for explaining the purpose of an income statement?
- (a) Profitability and financial position
 - (b) Financial Position and movement of cash
 - (c) Movement of cash and profitability
 - (d) Profitability

4. Match the following

- a) Employees – (1) Respecting rules and regulations
- b) Responsibility to investors – (2) Branch of social science
- c) Responsibility towards government – (3) to maintain solvency and prestige
- d) Economic objective – (4) job security
- e) Business ethics – (5) to earn profit

SECTION B - K3 (CO2)

Answer any TWO of the following in 100 words (2 x 10 = 20)

- 5. Who are the users of financial statements? How they use the same?
- 6. Give a brief account of the components of Financial Statements?
- 7. In what modes the ratios are expressed? Explain with examples.
- 8. What do you mean by human capital? Bring out its uniqueness.

SECTION C – K4 (CO3)

Answer any TWO of the following in 100 words (2 x 10 = 20)

- 9. Briefly explain the purposes of the related party disclosures under IND AS 24.
- 10. Outline the significant events and transactions disclosed in Interim Financial Reporting under IND AS 34.
- 11. At the end of 2017-18, NM Ltd. had 10,00,000 equity shares of face value of Re.1 each. In 2016-17, NM Ltd had issued 1,000, (10%) convertible bonds with face value of Rs.100 at par. Each bond is convertible into 20 equity shares on demand. Both equity shares and convertible bonds were outstanding for the whole year (2017-18). NM Ltd equity share price is Rs.4.50 per share. Net profit (after tax expense) for the year was Rs.5,25,000, of which Rs.25,000 (after tax expense) was from discontinuing operations. The tax rate applicable to the company is 40%. Calculate Basic EPS and diluted EPS for the year 2017-18.

12. The following is the Balance Sheet of XYZ Ltd. as on 31st March 1988.

Liabil	Rs.	A	Rs.
Equity Share Capital	2,00,000	Land & Buildings	1,50,000
Pref. Share Capital	2,00,000	Plant & Machinery	2,50,000
General Reserve	80,000	Furnitures & Fittings	50,000
Profit & Loss A/c	40,000	Stock	1,50,000
12% Debentures	2,20,000	Debtors	70,000
Creditors	1,00,000	Bills Receivable	80,000

Bills Payable	50,000	Cash at bank	1,00,000
		Cash in hand	40,000
	8,90,000		8,90,000

Calculate

- | | |
|----------------------|------------------------------------|
| a) Current ratio | d) Proprietary ratio |
| b) Quick ratio | e) Fixed assets to net worth ratio |
| c) Debt-equity ratio | f) Capital gearing ratio |

SECTION D – K5 (CO4)

Answer any ONE of the following in 250 words (1 x 20 = 20)

13. Bring out the key principles involved in IND AS 1.
14. Give a brief account of the best practices followed in the preparation of financial statement and also identify the common defects in the financial statements.

SECTION E – K6 (CO5)

Answer any ONE of the following in 250 words (1 x 20 = 20)

15. Highlight the guiding principles followed in the preparation and presentation of Integrated Report
16. Explain how the corporate social responsibility is practiced in India by quoting lucid examples.
