OP – 221

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IV Semester M.Com. Examination, November 2022
(CBCS Scheme) (2021 – 22)
COMMERCE
AT 4.3 : Corporate Reporting Practices – II

Time : 3 Hours Max. Marks : 70

Instruction : *Answer **all** the questions as per **instructions**.*

SECTION – A

Answer **any seven** questions out of ten. **Each** question carries **two** marks. **(7×2=14)**

1. a) What is sustainability report ?
   b) What is Embedded securities ?
   c) Give the meaning of Business combination as per Ind AS 103.
   d) What do you mean by MVA ?
   e) Define related parties' disclosure as per Ind AS-24.
   f) What do you mean by Chain Holdings ?
   g) List down the Components of Annual Reports.
   h) What do you mean by triple Bottom Line ?
   i) What do you mean by Joint Venture ?
   j) What are Interim Financial Reporting as per Ind AS 34 ?

SECTION – B

Answer **any four** questions out of six. **Each** question carries **five** marks. **(4×5=20)**

2. Write the Disclosure related to Financial Instrument.

3. On March 31, 2022, K Ltd. acquired L Ltd. K Ltd. issued 60,000 equity shares (₹ 10 par value) that were trading at ₹ 240 on March 31. The book value of L Ltd.'s net assets was ₹ 72,00,000 on March 31. The fair value of net assets was assessed at ₹ 1,35,00,000. Show acquisition journal entry.

P.T.O.

4. Explain the disclosure related Interim Financial Reporting as per Ind AS.

5. Briefly explain the key business challenges for successful implementation of IFRS.

6. On 1st January 2021 Abacus Co. purchases a debit instrument for its fair value of \$ 1000. The debt instrument is due to mature on 31 December 2025. The inurement has a principal amount of \$ 1250 and the instrument carries fixed interest at 4.72% that is paid annually (The effective interest rate is 10%). How should Abacus Co. account for the debt instrument over its five-year term ?

7. C Ltd. acquires 60% share in D Ltd. for cash payment of ₹ 300,000. This amount was determined with reference of market price of D's ordinary shares before the acquisition date .

   Calculate NCI and goodwill following :

   i) Fair value approach.

   ii) Proportionate shares of identified net asset in acquiree approach when on the acquisition date, the aggregate value of D's identifiable net assets is :

      a) 4,40,000.

      b) 5,30,000.

SECTION – C

Answer **any two** questions out of four. **Each** question carries **twelve** marks. **(2×12=24)**

8. Explain the following :

   a) HR Accounting and Reporting

   b) Integrated Reporting

   c) CSR Amendment of 2013.

9. The draft Balance Sheets of A Ltd. and its American subsidiary B Inc. as at 31-03-2015 are as under :

Liabilities	A Ltd. ₹	B Inc. ₹	Assets	A Ltd. ₹	B Inc. ₹
Share capital in equity shares	30,00,000	30,000	Fixed assets	18,00,000	20,000
Profit and Loss Account	20,00,000	40,000	Investments in B	17,00,000	–
Loan funds	13,00,000	20,000	Stocks	12,00,000	30,000
Trade creditors	6,00,000	10,000	Debtors	24,00,000	60,000
Provision for taxation	10,00,000	20,000	Cash and bank	8,00,000	10,000
Total	**79,00,000**	**1,20,000**	**Total**	**79,00,000**	**1,20,000**

1) A Ltd. acquired 80% of shares in B Inc. on 01-04-2011, when the P and L A/c showed a balance of ₹ 20,000.

2) Exchange rates per US $ prevalent dates were : 01-04-2011 = 30, 01-04-2014 = 36, 31-03-2015 = 42.

3) A Ltd. decided to Amortize goodwill, if any, over a period of eight years.

Prepare the consolidated Balance Sheet of A Ltd. and its subsidiary at 31-03-2015.

10. The following are the Balance Sheets of BEE Ltd. and DEE Ltd. as on 31-03-2018 :

	BEE Ltd. (₹)	DEE Ltd. (₹)
Equity and Liabilities :		
Equity		
Equity share capital :		
Equity shares of 100 each fully paid	90,00,000	30,00,000
Other equity :		
General reserve	8,00,000	6,00,000
Profit and Loss A/c	14,68,000	60,000

Non-current Liabilities :		
14% Debentures	–	18,00,000
Current Liabilities :		
Trade payables	12,00,000	5,40,000
Total	**1,24,68,000**	**60,00,000**
Assets :		
Non-current assets :		
Tangible assets	60,00,000	3,00,000
Non-current investments (at cost) :		
6,000 shares in DEE Ltd.	9,00,000	–
18,000 shares in BEE Ltd.	–	30,00,000
Current Assets :		
Inventories	28,80,000	12,60,000
Trade Receivables	17,40,000	9,00,000
Cash and Cash equivalents	9,48,000	5,40,000
Total	**1,24,68,000**	**60,00,000**

Inventories of BEE Ltd. include goods worth ₹ 6,00,000 purchased from DEE Ltd. which made a profit of 20% on selling price. As on 31-03-2016, BEE Ltd. absorbs DEE Ltd. on the basis of the intrinsic value of the shares of both companies as on 31-03-2016. Before absorption, BEE Ltd. has declared a dividend of 12%. Dividend tax is 10%. The fair value per BEE Ltd. share is ₹ 120.

You are required to calculate :

i) No. of shares to be issued to DEE Ltd.

ii) Purchase consideration payable by BEE Ltd.

iii) Gain on Bargain Purchase/Goodwill which will appear in the Balance Sheet of BEE Ltd.

11. Explain the difference between IFRS and IND AS.

SECTION – D

Answer the following question : **(1×12=12)**

12. Explain the components of sustainability reports.