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Roll No.

BCH-401(ACCA)

B. COM. (H)

(FOURTH SEMESTER)

END SEMESTER

EXAMINATION, June, 2023

CORPORATE REPORTING

Time : Three Hours

Maximum Marks : 100

Note : (i) All questions are compulsory.

(ii) Answer any *two* sub-questions among
(a), (b) and (c) in each main question.

(iii) Total marks in each main question are
twenty.

(iv) Each sub-question carries 10 marks.

1. (a) Discuss the accounting implications of the
first-time adoption of new accounting
standards. (CO1)

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(b) Write short notes on the following : (CO1)

(i) Future Operating Losses

(ii) Accounting treatment for borrowing cost

(c) Discuss the accounting for the disclosures of government grants and government assistance. (CO1)

2. (a) "Segmental information enhances the quality and sustainability of performance." Discuss.

(b) State the impact of current issues on corporate reporting. (CO2)

(c) XYZ enters into 100 contracts with customers. Each contract includes the sale of one product for ₹ 1,00,000. The cost to XYZ of each product is ₹ 40,000. Cash is received with delivery and simultaneously the control of the product transfers to the party. Customer can return the product within 30 days to receive the full refund. XYZ can sell the returned products too.

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XYZ has experience in estimating returns for this product. It estimates that 48% products will not be returned.

How should the above transaction be accounted for ? (CO2)

3. (a) Discuss and explain with the help of example, the accounting treatment of short term and long-term employee benefits. (CO3)

(b) ABC Ltd. is engaged in the sale of computer parts during the financial year 2023-24, considering its tax rate @ 30% and revenue as ₹ 10,00,000, find out the timing difference and deferred tax amount for A. Y. 2023-24. ABC Ltd. receives the payments from the customers on installment basis over the next five years (₹ 2,00,000 annually). For tax purposes the revenue is recognized as and when is received.

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- (c) Discuss the recognition and de-recognition rules in case of contingent assets and contingent liabilities. (CO3)
4. (a) Discuss fair value measurement and active market. (CO4)
- (b) Write short notes on the following : (CO4)
- (i) Share based payment transactions
- (ii) Deferred taxation on a business combination.
- (c) Purva sells sanitary items such as wash basins. (CO4)

On 31st March, 2023, Purva decides to start selling wash basins with warranty. Under the warranty Purva will repair wash basins at no charge to the customer if they break within the warranty period. As per prior year records of customers, 20% of the basins sold will require repair within the warranty period at an average cost to Purva of ₹ 500 per machine.

Purva sold 200 wash basins on 31st December, 2023. Time value of money is ignored.

Calculate the warranty provision required.

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5. (a) Write short notes on the following : (CO5)
- (i) Associate entities
- (ii) Joint control principle
- (b) Balance Sheet as at 31st March, 2023 (CO5)

Liabilities	H Ltd. (₹)	S Ltd. (₹)
Share Capital in ₹ 10	12,00,0000	6,00,000
Reserve	3,00,000	2,00,000
Statement of Profit and Loss	2,00,000	1,00,000
Trade Payables	10,50,000	3,00,000
Total	27,50,000	12,00,000

Assets	H Ltd. (₹)	S. Ltd. (₹)
Sundry Assets	20,00,000	12,00, 00
Investment : 60,000 shares in S Ltd.	7,50,000	
Total	27,50,000	12,00,000

H Ltd. acquired the shares on the last day of the financial year. Prepare Consolidated Balance Sheet.

- (c) Discuss the accounting for the subsidiary companies in the financial statements of the parent company. (CO5)