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III Semester M.Com. (Regular) Degree Examination, March/April - 2025

COMMERCE (Elective)

Business Reporting and Practices

(CBCS Scheme)

Paper : 3.3

Time : 3 Hours

Maximum Marks : 70

SECTION - A

Answer **any Seven** questions out of Ten. Each question carries **Two** marks. (7×2=14)

1. a) What are the qualitative characteristics of Financial Statements?
- b) What do you understand by reporting segments as per Ind AS 108?
- c) Differentiate between Basic EPS and Diluted EPS.
- d) What is meant by change in Accounting Policy?
- e) What is integrated reporting?
- f) List out two models of Human Resource Accounting.
- g) List out any two qualities of financial reporting by NBFC's.
- h) What do you understand by temporary differences as per Ind AS 12?
- i) What are performance indicators under GRI?
- j) What do you mean by Value Added Reporting?

[P.T.O.]



(2)
SECTION - B

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Answer **any Four** questions out of Six. Each question carries **Five** marks. (4×5=20)

2. The following information is available of a concern. Calculate EVA

12% Debt Capital	Rs. 2,000 crores
Equity capital	Rs. 500 crores
Reserves and surplus	Rs. 7,500 crores
Capital employed	Rs. 10,000 crores
Beta Factor	1.05
Market rate of return	19%
Equity (market) risk premium	10%
Operating profit after tax	Rs. 2,100 crores
Tax rate	30%

3. How does Sustainability reporting differ from traditional financial reporting?
4. Who are the users of financial reporting? How do they use it for decision making?
5. Explain in brief the interim financial reporting (IND AS 34).
6. D Ltd had outstanding ordinary shares of 10,00,000 as on 01.04.2023. Profit for the year is Rs. 20,00,000. D Ltd had 12%, 20,000 convertible debentures of Rs. 100 each to be converted into 10 ordinary shares. Tax rate is 30%. Calculate (1) Basic EPS and (2) Diluted EPS.
7. From the following details, compute the total value of human resources of skilled and unskilled group of employees according to Lev and Schwartz (1971) model:

Particulars	Skilled	Unskilled
Annual average earnings of an employee till the retirement age	60,000	40,000
Age of retirement	65 years	62 years
Discount rate	15%	15%
No .of employees in the group	30	40
Average age	62 years	60 years



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SECTION - C

Answer **any Two** questions out of Four. Each question carries **Twelve** marks. (2×12=24)

8. "The Triple Bottom Line Reporting (TBL) is made up of Social, Economic and Environment Dimensions". Discuss.
9. From the following information provided, prepare cash flow statement as per Ind AS 7.

Balance Sheet of XYZ Ltd

	Note No.	As on 31.3.2024	As on 31.3.2023
Non current assets			
PPE	2	7,04,000	6,48,000
Non current investment		2,96,000	4,40,000
Current Assets			
Inventories		4,24,000	3,28,000
Trade Receivables		1,72,000	2,68,000
Cash and cash equivalent		3,60,000	3,60,000
Short term loan and advances (Prepaid Expenses)		8,000	4,000
Total		19,64,000	20,48,000
Equity and liabilities			
Equity			
Share capital		9,20,000	9,20,000
Other equity		3,32,000	3,04,000
Liability	1		
Non current liability			
Long term borrowings (10% Debentures)		2,80,000	3,60,000
Current liabilities			
Trade Payables		3,84,000	4,12,000
Short term Provisions (Provision for tax)		48,000	52,000
Total		19,64,000	20,48,000

[P.T.O.]

**Notes to accounts:**

Note No		As on 31.3.2024	As on 31.3.2023
1	Reserve and Surplus		
	Balance of Profit	92,000	64,000
	General Reserve	2,40,000	2,40,000
		3,32,000	3,04,000
2	PPE		
a	Land	6,00,000	6,00,000
	Machinery (Gross Block)	28,00,000	2,08,000
	Provision for depreciation	1,76,000	1,60,000
b	Machinery (Net Block)	1,04,000	48,000
	A+B	7,04,000	6,48,000

Additional information:

- (i) 10% dividend was paid during the year.
- (ii) Machinery for Rs. 12,000 was purchased and old machinery costing Rs. 48,000 (accumulated depreciation Rs. 24,000) was sold for Rs. 16,000.
- (iii) 80,000, 8% debentures were redeemed by purchase from the open market at Rs. 96 for a Debenture of Rs. 100.
- (iv) Investments worth Rs. 1,44,000 were sold at a loss of Rs. 4,000.
- (v) Actual income tax liability for the year amounted to Rs. 40,000.

10. Write a short note on

- a. Operating Segments (INDAS 108).
- b. Shareholders value added.
- c. Income Taxes (INDAS-12).



11. **Company Profile:** Tata Group, one of India's largest and oldest conglomerates, operates in diverse industries such as automobiles, IT services, steel, and hospitality. It has been known for its commitment to ethical business practices, environmental sustainability, and community welfare. Tata's approach to CSR is a key part of its corporate philosophy, influenced by its founder, Jamshedji Tata, who believed in improving the quality of life for society.

CSR Initiatives: Tata Group's CSR efforts are extensive and deeply rooted in its core values. Here are some examples of their major CSR initiatives:

1. **Tata Steel and Environmental Sustainability:** Tata Steel has made significant investments in reducing its carbon footprint, including adopting energy-efficient technologies, recycling waste materials, and reducing water consumption. Tata Steel's sustainable practices aim to lower emissions and preserve natural resources.
2. **Tata Consultancy Services (TCS) and Education:** TCS is heavily involved in promoting education through initiatives like the "TCS Education Initiative", which supports thousands of underprivileged students across India by providing scholarships, building schools, and supporting digital literacy programs.
3. **Tata Motors and Community Development:** Tata Motors focuses on improving infrastructure and healthcare in rural areas where its manufacturing plants are located. It runs health camps, vocational training programs, and sanitation initiatives for communities near its plants.
4. **Tata Trusts:** Tata Trusts, which is the philanthropic arm of the Tata Group, is involved in a variety of social development initiatives, including improving healthcare, education, and rural development. They also work on disaster relief efforts and providing support for marginalized communities.

Question:

1. Discuss how these CSR activities contribute to the company's long-term goals and reputation. (4)
2. Evaluate the impact of Tata's CSR initiatives on key stakeholders. (4)
3. Critically assess the effectiveness of Tata Group's CSR activities. (4)

[P.T.O.]



Answer the following questions.

(1×12=12)

12. On the basis of the following income statement pertaining to Brite Ltd, you are required to prepare (a) Gross value added statement and (b) Statement showing reconciliation of gross value added with profit before taxation.

Profit and loss a/c of Brite Ltd. for the year ended 31st march 2024

Particulars	Rs. in '000s	Rs. In '000s
Income:		
Sales less returns		15,27,956
Dividends and interest		130
Misc Income		474
Total A		15,28,560
Expenditure:		
Production and operational expenses		
Decreases in inventory of finished goods	26,054	
Consumption of raw materials	7,40,821	
Power and lighting	1,20,030	
Wages, salaries and bonus	3,81,760	
Staff welfare expenses	26,240	
Excise duty	14,540	
Other manufacturing expenses	32,565	13,42,010
Administrative expenses		
Directors remuneration	7,810	
Other administrative expenses	32,640	40,450
Interest on		
9% mortgage debentures	14,400	
Long term loan from financial institution	10,000	
Bank overdraft	100	24,500
Depreciation on fixed assets		50,600
Total B		14,57,560



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Profit before taxation (A-B)	71,000
Provision for income tax @ 35.875%	25,470
Profit after taxation	45,530
Balance of account as per last balance sheet	6,300
Transferred to	
General Reserve 40% of Rs. 45,530	18,212
Interim dividend paid	2,000
Proposed Dividend @22%	20,000
Tax on distributed profits @12.81%	2,818
	43,030
Surplus carried to Balance Sheet	8,800
