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Reg. No.

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III Semester M.Com. Degree Examination February/March - 2026

COMMERCE (Accounting and Taxation)

Business Reporting and Practices

(CBCS Scheme)

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) State the scope of interim financial reporting.
 - b) What is CODM in Ind AS 108?
 - c) Give the meaning Deferred Tax Assets?
 - d) State the purpose of preparing Cash Flow Statement.
 - e) What are the exposure norms for RBI?
 - f) What is merchant banking in SEBI?
 - g) What is the Primary objective of Global Reporting Initiative?
 - h) What is Corporate Social Responsibility (CSR)?
 - i) What is a value - added statement?
 - j) Mention any two companies that effectively use HRA.

SECTION - B

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

2. Explain the objectives of Financial Reporting.
3. What are some significant factors for an entity to consider in identifying the chief operating decision maker?

[P.T.O.]



4. While preparing the annual financial statements for the year ended 31st March, 2023, an entity discovers that a provision for constructive obligation for payment of bonus to selected employees in corporate office (Material in amount) which was required to be recognized in the annual financial statements for the year ended 31st March, 2021 was not recognized due to oversight of facts. The bonus was paid during the financial year ended 31st March, 2022 and was recognized as an expense in the annual financial statements for the said year. Would this situation require retrospective restatement of comparatives considering that the error was material?
5. What do you mean by biological asset, bearer plant, consumable biological asset, and bearer biological asset as per Ind AS 41. Illustrate your answer.
6. Explain the qualities of Financial Reporting in Financial Institutions.
7. Discuss in brief the challenges and criticism of TBL (Triple Bottom Line)

SECTION - C

Answer any Two questions out of Four. Each question carries Twelve marks.

(2×12=24)

8. What is Functional Currency? What are primary, secondary, and additional indicators of identifying functional currency? Explain each category with examples as per Ind AS 21.
9. Liabilities and Assets of Magus Technologies Ltd. for the year ended 31st March 2022 and 31st March 2023 are reproduced below:

Liabilities	31/03/2023	31/03/2022	Assets	31/3/2023	31/3/2022
	(Rs.)	(Rs.)		(Rs.)	(Rs.)
Equity sharecapital	6,00,000	4,50,000	Goodwill	1,20,000	1,50,000
8% pref. share capital	1,50,000	2,25,000	Land&Building	2,55,000	3,00,000
Capital Reserve	30,000	-	Plant&Machinery	3,00,000	1,20,000
General Reserve	75,000	60,000	Investment	45,000	30,000
Surplus A/c	57,000	22,500	Sundry Debtors	2,55,000	2,10,000
Proposed Dividend	75,000	63,000	Stock	1,63,500	1,15,500
Sundry Creditors	70,500	37,500	Bills Receivable	45,000	30,000
Bills payable	24,000	30,000	Cash in Hand	15,000	22,500
Liability for Expenses	54,000	45,000	Cash at Bank	12,000	15,000
Provision for Taxation	75,000	60,000			
	12,10,500	9,93,000		12,10,500	9,93,000



The additional information is as under:

- a) An interim dividend of Rs.30,000 has been paid in 2022 - 23
- b) Investments are trade investments, Rs.4,500 by way dividend is received which included Rs.1,500 from pre-acquisition profit which has been credited to investment account.
- c) A machinery was sold for Rs.15,000. The written down value of the machine was Rs.18,000. Depreciation of Rs.15,000 is charged on plant and machinery in 2022-23.
- d) A piece of land has been sold during the year and profit on sale has been credited to capital Reserve Account. Depreciation charged on buildings during the year amounted to Rs.7,500. No additions existed under this head during the current year.

You are required to prepare cash flow statement (Indirect Method) for the year ended 31st March 2023.

10. Write a short note as per Ind AS 21:

- a) Recognition of current tax assets and current tax liabilities
- b) Recognition of deferred tax assets and deferred tax liabilities.

11. The Capital structure of Devine Ltd. is as under:

- a) 80,00,000, Equity shares of Rs.10 each = Rs.800 lakhs.
- b) 1,00,000, 12% preference shares of Rs.250 each = Rs. 250 lakhs.
- c) 1,00,000, 10% Debentures of Rs.500 each = Rs.500 lakhs.
- d) Terms Loan from Bank @ 10% = Rs.450 lakhs.

The Company's statement of Profit and Loss for the year showed PAT of Rs.100 lakhs, after appropriating Equity Dividend @ 20%. The Company is in the 40% tax bracket. Treasury Bonds carry 6.5% interest and beta factor for the Company may be taken as 1.5. The long run market rate of return may be taken as 16.5% Calculate Economic Value Added.

[P.T.O.]



SECTION - D

Answer the following question.

(1×12=12)

12. Once it is accepted that human resources are an asset, the question of measuring the cost of this asset arises. The monetary approaches to measurement of human assets are broadly based either upon cost or economic value. The cost approaches involve computation of the cost of human resources to the organization. The cost are capitalized and amortized over the useful life of the asset.
- a) How human resources assets should be valued, i.e., should historical cost or replacement value of present value methods be used?
 - b) The implications of capitalized human resources, once they are recorded, i.e., how should human resources be amortized?
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