

D 10003

(Pages : 4)

Name.....

Reg. No.....

**FIFTH SEMESTER U.G. DEGREE EXAMINATION, NOVEMBER 2021**

(CUCBCSS—UG)

B.Com.

BCM 5B 10—FINANCE SPECIALIZATION—I—FINANCIAL REPORTING

(2014 Admissions)

Time : Three Hours

Maximum : 80 Marks

**Part A***Answer all questions.**Each question carries 1 mark.*

1. A \_\_\_\_\_ is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale.
2. \_\_\_\_\_ is the exercise of caution when making judgements under conditions of uncertainty.
3. When a dividend is declared \_\_\_\_\_ is debited.
4. The operating activities of enterprise are \_\_\_\_\_ revenue activity.
5. The cost of the item can be measured \_\_\_\_\_.
6. The recording of expenses in the same financial year as the related revenues is known as :
  - a) Operating cycle.
  - b) Cost recovery.
  - c) Matching convention.
  - d) Prudence convention.
7. Recognition is the process of :
  - a) Disclosing information in the notes to the financial statements.
  - b) Determining the amount at which an item should be shown in the financial statements.
  - c) Incorporating an item in the financial statements.
  - d) Determining where an item should be presented in the financial statements.
8. Which of the following would generally not be classified as a current asset ?
  - a) An asset held for the purpose of being traded.
  - b) A cash equivalent.
  - c) An asset intended for consumption within the entity's normal operating cycle.
  - d) An asset held for long-term use within the entity.

**Turn over**

9. In general, contract costs incurred in relation to a contract with a customer must be :
- Recognised as an expense when incurred.
  - Recognised as an asset if they relate to a performance obligation which has been satisfied.
  - Recognised as an asset if they relate to a performance obligation which has not yet been satisfied.
  - Recognised as an asset if they are not expected to be recovered.
10. A change in an accounting estimate should be accounted for :
- Retrospectively.
  - Prospectively.
  - Either retrospectively or prospectively.
  - Retrospectively unless it is impracticable to do so.

(10 × 1 = 10 marks)

### Part B

*Answer any **eight** questions.  
Each question carries 2 marks.*

- What are contingent assets ? Give two examples.
- What is FASB ?
- What are the factors governing the selection and application of accounting policies ?
- What are the components in statement of changes in equity ?
- What are the objectives of IND AS 8 ?
- What are Equity compensation plans ?
- What is diluted earnings per ?
- What is Depreciation ?
- What is accounting harmonisation ?
- What are Borrowing costs ?

(8 × 2 = 16 marks)

### Part C

*Answer any **six** questions.  
Each question carries 4 marks.*

- How are goodwill allocated to cash generating units ?

22. Explain any *four* classifying of Reserves and surplus ?
23. What is the process of impairment ?
24. Explain the procedure to measure the deferred tax ?
25. Calculate the cost of purchase of inventory that should be included in purchase cost ?

Purchase price Rs. 2,50,000 ; 2. Penalty charges for overdue payments Rs. 5,000 ; 3. Discount on purchase price 3 % on purchase price ; Travelling expense of purchase department Rs. 8,000 ; GST 2 % on purchase price ; Import duty Rs. 10,000 ; forwarding charges of external transport Rs. 2,000 ; Transport insurance Rs. 2,000 ; Internal storage cost of receiving materials Rs. 6,000 ; Cost of letter of reference Rs. 1,000 ; Internal transport between stock location Rs. 3,000 ; Commission and Brokerage paid Rs. 5,000

26. A factory has a carrying value of Rs. 20 million. Two years ago the company reduced the carrying value from Rs. 22 million. This was taken as an expense in profit or loss. In the current year the factory is now worth Rs. 23 million. Show the accounting treatment for revaluation in the current year. Explain the working with relevant Ind AS.
27. On 1<sup>st</sup> April 2017, a company borrowed Rs. 15,00,000 to finance the production of two assets ,both of which are expected to take a year build .Production started during the financial year 2017-18 and was utilised is follows with the remaining funds used temporarily :

		Asset A	Asset B
1 <sup>st</sup> April 2017	...	2,50,000	5,00,000
1 <sup>st</sup> October 2017	...	2,50,000	5,00,000

The loan rate was 9 % and surplus can be invested for 7 %.

Ignoring the compound interest, What are the borrowing costs which may be capitalised for each asset and consequently each assets on 31<sup>st</sup> March 2018.

28. XY Ltd. has a fully paid equity capital of Rs. 5,00,000 divided into shares of Rs. 10 each and 1,00,000 partly paid shares of Rs. 10 each, Rs. 7 paid up. It has an accumulated profit to the credit of its profit and loss account of Rs. 2,00,000, free reserve of Rs. 1,50,000 and security premium of Rs. 50,000. It has decided to convert the partly paid equity shares into fully paid by applying bonus out of accumulated profit and free reserves. The bonus was declared at Rs. 6 per share on the fully paid up capital. Pass necessary journal entries.

(6 × 4 = 24 marks)

**Turn over**

**Part D**

*Answer any two questions.  
Each question carries 15 marks.*

29. From the following Balance Sheets of Exe Ltd. make-out Cash Flow Statement :

<i>Liabilities</i>	2016	2017	<i>Assets</i>	2016	2017
Equity Share capital	3,00,000	4,00,000	Goodwill	1,15,000	90,000
8 % redeemable preference share capital	1,50,000	1,00,000	Land and Buildings	2,00,000	1,70,000
General Reserve	40,000	70,000	Plant	80,000	2,00,000
Profit and Loss	30,000	48,000	Debtors	1,60,000	2,00,000
Proposed Dividend	42,000	50,000	Stock	77,000	1,09,000
Creditors	55,000	83,000	Bills receivables	20,000	30,000
Bills payable	20,000	16,000	Cash in hand	15,000	10,000
Provision for taxation	40,000	50,000	Cash at bank	10,000	8,000
	6,77,000	8,17,000		6,77,000	8,17,000

Additional Information :

(a) Depreciation of Rs. 10,000 and Rs. 20,000 have been charged on Plant and Land and Buildings in 2017 ; (b) An interim dividend of Rs. 20,000 has been paid in 2017 ; and (c) Rs. 35,000 Income tax was paid during 2017.

30. G Ltd. purchased machinery from P Ltd. on 30.9.2012. The price was Rs 370.44 lakhs after charging 8 % sales-tax and giving a trade discount of 2 % on the Quoted price. Transport charges were 0.25% on the quoted price and installation charges came to 1 % on the quoted price. A loan of Rs 300 lakhs was taken from the bank on which interest at 15 % p.a. was to be paid. Expenditure incurred on the trial run was materials Rs. 35,000, wages Rs. 25,000 and overhead Rs. 15,000. Machinery was ready for use on 1.12.2012. However, it was actually put to use only on 1.5.2013.

Find out the cost of the machine and suggest the accounting treatment for the expenses incurred in the interval between the dates 1.12.2012 and 1.5.2013. The entire loan amount remain unpaid on 1.5.2013.

31 . “All provisions are liabilities” comment Meaning of provision-recognition of provision and measurement of provision-relation of provision and contingent liability.

(2 × 15 = 30 marks)

**D 90003**

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Name.....

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**FIFTH SEMESTER B.Com./B.B.A. DEGREE EXAMINATION, NOVEMBER 2020**

(CUCBCSS—UG)

B.Com.

BCM 5B 10—FINANCE SPECIALIZATION—I FINANCIAL REPORTING

(2014 Admission onwards)

Time : Three Hours

Maximum : 80 Marks

**Part A**

*Answer all questions.*

*Each question carries 1 mark.*

1. To recognise an asset the cost of the same should be reliably \_\_\_\_\_.
2. International Accounting Standards (IAS) have been developed by \_\_\_\_\_.
3. \_\_\_\_\_ is income which is usually received or receivable in cash.
4. \_\_\_\_\_ means interest and other cost that an entity incurs in connection with borrowing of funds.
5. \_\_\_\_\_ refers to a present obligation as a result of past events and settlement is expected to result in an outflow of resources.
6. The impairment loss is recognised as \_\_\_\_\_.
  - a) Expenses.
  - b) Loss.
  - c) Provisions.
  - d) Gains.
7. 'Discount on bonds' is :
  - a) Deducted from bonds.
  - b) Prepaid expenses.
  - c) A contra asset.
  - d) None of the above.
8. The ratio that helps in assessing how effectively an enterprise uses resources provided by its owners is :
  - a) Market to book value.
  - b) Earnings per share.
  - c) Return on equity.
  - d) Return on Investment.

**Turn over**

9. \_\_\_\_\_ activities results in change in the size and composition of contributed equity.

- a) Operating.
- b) Investing.
- c) Financing.
- d) Trade.

10. A balance sheet does not :

- a) Present revenues and expenses of an enterprise.
- b) Report the assets and claims of an enterprise at a specified moment in time.
- c) Show the financial status of an enterprise.
- d) Have two counterbalancing sections.

(10 × 1 = 10 marks)

### Part B

*Answer any eight questions.  
Each question carries 2 marks.*

- 11. What are share based payments ?
- 12. What are accounting policies ?
- 13. What is SOPL ?
- 14. What is useful life of asset ?
- 15. What are the objectives of financial statements ?
- 16. What is carrying amount of asset ?
- 17. What is recognition of impairment loss ?
- 18. What are qualifying assets ?
- 19. What are the objectives of ISAB ?
- 20. What are cash generating units ?

(8 × 2 = 16 marks)

### Part C

*Answer any six questions.  
Each question carries 4 marks.*

- 21. State the benefits of convergence with IFRS.
- 22. Explain Prior period Errors.
- 23. What is deferred tax ? How is deferred tax liability recognised ?

24. What is Revaluation Model ? Give the accounting treatment.
25. Board of Directors of a limited company approved the financial account for the year 2017-18 on 31st July, 2018. The following events occurred before the approval of financial statements by Board of Directors. State how would you deal with these situations :
- (a) The Board of Directors at their meeting on June 30, 2018 has recommended a dividend of 10% to be paid to the shareholders after it is approved at the annual general meeting.
- (b) A debtor, who was declared insolvent on 10th July 2018. The total outstanding amount was '2 lacs as on 31st March, 2018.
26. A Ltd has following units. Using the following information, identify which of the operating segments are required to be reported separately. All amounts are in crores :

	AB1	BC1	CD1	DE1	EF1	FG1	Total
Revenue	22	10	24	32	10	4	102
Profit/(loss)	3.2	-0.5	4	7	-1.3	-0.3	12.1
Assets	34	12	28	40	20	12	146

27. From the following particulars as furnished by Lava Ltd, calculate its net Cash flow from the Financing Activities for the year that ended 31 March 2013 :

	31 March 2012	31 March 2013
Equity Share Capital	3,00,000	5,00,000
Preference Share Capital	2,00,000	2,00,000
Debentures	2,00,000	1,50,000
Long-term Loan	80,000	1,50,000
Proposed Dividend (Equity)	36,000	50,000
Outstanding Interest on Debentures	6,000	5,000

During the year 2012-13, the following events took place :

New Issue of Preference Shares at 10% discount Rs. 1,00,000

New Issue of Debentures at 20% Discount Rs. 1,00,000

Repayment of Long-term Loan Payment of Preference Dividend Rs. 50,000.

Turn over

Payment of Interest on long-term Rs. 50,000.

Loan Interim Equity Dividend paid during the year in addition to Proposed Dividend.

Interest on Debentures for the year Rs. 15,000.

New Equity Shares were issued at 10% premium '24,000.

28. The following information appeared to Beaa Ltd for the year ending 31st March 2018.

Purchase of goods from wholesaler	Rs. 8,00,000
Goods returned	Rs. 75,000
Interest on notes payables to vendor	Rs. 1,80,000
Freight in on merchandise	Rs. 2,50,000

What is the inventory cost for the company for 31st March 2018 ? Give explanation.

(6 × 4 = 24 marks)

#### Part D

*Answer any two questions.*

*Each question carries 15 marks.*

29. The Excell Manufacturing Co. Ltd was registered with an authorised capital of Rs. 10,00,000 divided into shares of Rs. 10 each, of which 40,000 shares had been issued and fully paid. You are required to prepare Trading and Profit & Loss Account for the year ended 31st March, 2018 and Balance Sheet as on that date after taking into consideration the following adjustments :

- (i) On 31st March, 2018 outstanding Manufacturing Wages and outstanding Office Salaries stood at Rs. 1,890 and Rs. 1,200 respectively. On the same date Stock was valued at Rs. 1,24,840 and Loose Tools at Rs. 10,000.
- (ii) Provide for interest on Bank Loan for 6 months.
- (iii) Depreciation on plant and machinery is to be provided @ 15% while on Office Furniture it is to be @ 10%.
- (iv) Write off one-third of balance of Preliminary Expenses.
- (v) Make a Provision for Income Tax @ 50%.
- (vi) The directors recommended a maiden (first) dividend @15% for the year ending 31st March 2005 after a transfer of 5% of net profits to General Reserve.

The following is the Trial Balance extracted on 31 st March, 2018.

	Debit (Rs.)	Credit (Rs.)
Opening Stock	1,86,420	
Purchases and Sales	7,18,210	11,69,900
Returns	12,680	9,850
Manufacturing Wages	1,09,740	
Sundry Manufacturing Expenses	19,240	
Carriage Inwards	4,910	
18% Bank Loan (Secured)		50,000
Interest on Bank Loan	4,500	
Office Salaries and Expenses	17,870	
Auditors' Fees	8,600	
Directors' Remuneration	26,250	
Preliminary Expenses	6,000	
Freehold Premises	1,64,210	
Plant and Machinery	1,28,400	
Furniture	5,000	
Loose Tools	12,500	
Debtors and Creditors	1,05,400	62,220
Cash in Hand	19,530	
Cash at Bank	96,860	
Advance payment of tax	84,290	
P & L a/c on 1st April, 2004		38,640
Share Capital		4,00,000
	17,30,610	17,30,610

Turn over

30. D Ltd. is developing a new distribution system of its material, following the costs incurred at different stages on research and development of the system :

Year ended 31.3.12	Phase/Expenses	Amount (' In lakhs)
2012	Research	8
2013	Research	10
2014	Development	30
2015	Development	36
2016	Development	50

On 31.3.12, D Ltd. identified the level of cost savings at' 16 lakhs expected to be achieved by the new system over a period of 5 years, in addition this system developed can be marketed by way of consultancy which will earn cash flow of '10 lakhs per annum. D Ltd. demonstrated that new system meet the criteria of asset recognition as on 1.4.2014. Determine the amount/cash which will be expensed and to be capitalized as intangible assets, presuming that no active market exist to determine the selling price of product i.e. system developed. System shall be available for use from 1.4.2012.

31. What are interim financial reports ? What are the contents in interim reports ?

(2 × 15 = 30 marks)

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Name.....

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**FIFTH SEMESTER B.Com. DEGREE EXAMINATION, NOVEMBER 2019**

(CUCBCSS—UG)

B.Com.

**BCM 5B 10—FINANCE SPECIALIZATION—I  
FINANCIAL REPORTING**

(2014 Admissions)

Time : Three Hours

Maximum : 80 Marks

**Part A**

*Answer all questions.  
Each question carries 1 mark.*

1. \_\_\_\_\_ is a systematic allocation of the cost or revalue amount less any residual value, over the asset's useful life.
2. \_\_\_\_\_ is the amount of income taxes payable (recoverable) in respect of the taxable profit (tax loss) for a period.
3. A contingent liability is \_\_\_\_\_ but not accrued.
4. Under a \_\_\_\_\_ lease, the lessee has substantially all of the risks and rewards of ownership.
5. \_\_\_\_\_ are interest and other costs that an entity incurs in connection with the borrowing of funds.
6. Which of the following are not enhancing qualitative characteristics of useful financial information as identified in The Conceptual Framework ?  
Item I Predictive.                      Item II Influencing.  
Item III Comparable.                  Item IV Relevance.  
(a) I, II and III only.                      (b) I, II and IV only.  
(c) I, III and IV only.                      (d) II, III and IV only.
7. Which of the following statements about a departure from IFRS is correct ?  
(a) Departure is never permitted.  
(b) Departure is permitted when the financial statement would be unfairly presented because of compliance with IFRS.  
(c) Departure is permitted when management and the external auditor agree on the departure.  
(d) Departure is permitted when the disclosure of the adopted accounting policy is detailed in the notes.

Turn over

8. GAAP include which of the following pronouncements :
- (a) Statements of Financial Accounting Standards.
  - (b) Accounting Research Bulletins.
  - (c) Accounting Principles Board Opinions.
  - (d) All of the above.
9. Which of the following material items would not be reported as an extraordinary item ?
- (a) A loss caused by an unusual and infrequent hurricane.
  - (b) A loss caused by an unusual and infrequent volcano.
  - (c) A loss caused by obsolescence of inventory.
  - (d) All of the above would be reported as extraordinary items.
10. A change in the residual value of a building depreciated on a straight-line basis is :
- (a) A change that should be reported in earnings of the period of change.
  - (b) A change reported by restating prior years' financial statements.
  - (c) An error correction.
  - (d) A change reported in the current and future periods when the change affects both.

(10 × 1 = 10 marks)

### Part B

*Answer any eight questions.*

*Each question carries 2 marks.*

- 11. What are provisions ?
  - 12. Who is a related party transaction ?
  - 13. What are borrowing costs ?
  - 14. What is EPS ?
  - 15. What are intangible assets ?
  - 16. What are errors ?
  - 17. What are disclosures required with respect to accounting policies ?
  - 18. What are Events after the Reporting Period ?
  - 19. What are employee benefits ?
  - 20. Give any *four* classifying of Reserves and surplus ?
- (8 × 2 = 16 marks)

## Part C

Answer any six questions.

Each question carries 4 marks.

21. What are general features of financial statements prepared as Ind AS 1 ?
22. How are goodwill allocated to cash generating units ?
23. Explain the financing cash flow ?
24. Explain the accounting treatment for operating lease in the books of lessee and lessor.
25. Shine Ltd. purchased an asset for Rs. 60,000 at the beginning of 2014. It had a useful life of 5 years. On 1<sup>st</sup> January 2016, the asset was revalued to Rs. 75,000. The expected useful life has remained unchanged. Show how revaluation is accounted. Also state the treatment for depreciation from 2016 onwards.
26. XY Ltd. has a fully paid equity capital of 5,00,000 divided into shares of 10 each and 1,00,000 partly paid shares of 10 each, 7 paid up. It has an accumulated profit to the credit of its profit and loss account of 2,00,000, free reserve of 1,50,000 and security premium of 50,000. It has decided to convert the partly paid equity shares into fully paid by applying bonus out of accumulated profit and free reserves. The bonus was declared at 6 per share on the fully paid up capital. Pass necessary journal entries.
27. Ambica stores sells goods on retail stores. It makes a gross profit of 20 % on net sales. The following figures for the year end are available :  
Opening inventory Rs. 50,000 ; Purchases Rs. 3,60,000 ; Purchases Returns Rs. 10,000 ; Freight inwards Rs. 10,000 ; Gross sales Rs. 4,50,000 ; Sales Return Rs. 11,250 ; Carriage Outwards Rs. 5,000.  
Compute the estimate cost of the inventory on the closing date.
28. S Ltd. presents interim financial report quarterly on 1-4-2018. S Ltd. has carried forward loss of Rs. 800 lakhs for income tax purpose for which deferred tax asset has not been recognized. S Ltd. earns Rs. 600 lakhs ; Rs. 700 lakhs ; Rs. 750 lakhs and Rs. 800 lakhs respectively in the subsequent quarters, excluding the carried forward losses. Income tax rate is 30 %. Calculate the amount of tax expense to be reported in each quarter.

(6 × 4 = 24 marks)

Turn over

## Part D

*Answer any two questions.  
Each question carries 15 marks.*

29. M Ltd. Group has three divisions A, B and C. Details of their turnover, results and net assets are given below : Amount in 000' s

Division A

Sales to B 9,150 ; other Sales (Home) 180 ; Export Sales 12,270.

Division B

Sales to C 90 ; Exports Sales to Europe 600.

Division C Export Sales to America 540.

	Head Office	A	B	C
Operating Profit or Loss before tax		480	60	(24)
Re-allocated cost from Head Office		144	72	72
Interest cost		12	15	3
Fixed assets	150	600	120	360
Net current assets	144	360	120	270
Long-term liabilities	114	60	30	360

Prepare a Segmental Report for publication in M Ltd. Group.

30. Fab Ltd. has the following data for 31<sup>st</sup> March 2018 :

Capital Expenditure Rs. 75,00,000 ; Divident declared Rs. 1,20,000 ; Net income Rs. 17,00,000.

Common stock issued Rs. 33,00,000 ; Increase in accounts receivables Rs. 12,00,000 ; Depreciation and amortisation Rs. 3,50,000 ; Proceeds from the sale of assets Rs. 6,00,000 ; Gain on sale of assets Rs. 50,000.

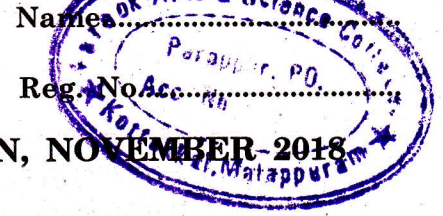
Based on the above, what is the ending cash balance at 31<sup>st</sup> March 2018, assuming the opening cash balance is Rs. 47,00,000.

31. Differentiate Ind AS and IFRS (Any seven relevant differences).

(2 × 15 = 30 marks)

D 50547

(Pages : 4)



**FIFTH SEMESTER B.Com. DEGREE EXAMINATION, NOVEMBER-2018**

(CUCBCSS—UG)

**BCM 5B 10—FINANCE SPECIALIZATION—I—FINANCIAL REPORTING**

Time : Three Hours

Maximum : 80 Marks

**Part A**

*Answer all questions.  
Each question carries 1 mark.*

1. In accordance with IAS 1, which one of the following statements is correct ?
  - (a) Assets and liabilities are presented broadly in order of their liquidity.
  - (b) Assets and liabilities can be offset if they result from same transaction or event.
  - (c) Intangible assets must be presented separately in the statement of financial position.
  - (d) Even if less than 12 months, the length of entity's operating cycle must be disclosed.
2. In relation to provisions, for a present obligation to exist, which one of the following factors must be present ?
  - (a) The obligation must be capable of really measured.
  - (b) The entity must have legal obligation that can be enforced bylaw.
  - (c) The entity must have no realistic alternate to settle the obligation.
  - (d) It must be more likely than less likely that there will be future flow of economic benefits.
3. To calculate the tax base liability for employee benefits, which one of the following formulae can be used ?
  - (a) Carrying amount + Future assessable amount.
  - (b) Carrying amount – Future Non-assessable amount of revenue.
  - (c) Carrying amount + Future deductible amount -Future assessable amount.
  - (d) Carrying amount – Future deductible amount +Future assessable amount.
4. Price per share is Rs. 30 and an earning per share is Rs 3.5 then price for earnings ratio would be :
  - (a) 8.57 times.
  - (b) 8.57 %.
  - (c) 0.11 times.
  - (d) 11 %.
5. The convention of consistency refers to consistent use of accounting principles :
  - (a) Throughout the accounting period.
  - (b) Across accounting periods.
  - (c) Within industries.
  - (d) Among enterprises belonging to different industries.

**Turn over**

6. GAAP does not require companies to indicate the amount of net income attributed to \_\_\_\_\_ interest.
7. \_\_\_\_\_ and \_\_\_\_\_ are fundamental qualities of financial information.
8. \_\_\_\_\_ is the residual interest in the assets of the entity after deducting all its liabilities.
9. Goodwill should be tested for impairment \_\_\_\_\_.
10. US GAAP derecognizes financial assets based on a \_\_\_\_\_.

(10 × 1 = 10 marks)

**Part B***Answer any eight questions.**Each question carries 2 marks.*

11. What is income from operations ?
12. Explain revenue with IAS 18 ?
13. What are the two basic constraints in setting a standard ?
14. What are financing activities ?
15. What are Earnings per share ?
16. What are operating segments ?
17. What are current taxes ?
18. What is the valuation of assets and liabilities in IFRS ?
19. What is impairment loss ?
20. State the basic principles for accepting an accounting principle ?

(8 × 2 = 16 marks)

**Part C***Answer any six questions.**Each question carries 4 marks.*

21. Z Ltd., has provided depreciation as per accounting records Rs. 40 lakhs but as per tax records Rs. 60 lakhs. Unamortized preliminary expenses, as per tax records are Rs. 20,000. There is adequate evidence of future profit sufficiency. How much deferred tax asset/liability should be recognized as transition adjustment ? Tax rate 30 %.
22. C Ltd. acquired a machine for Rs. 3.2 crores on 1.1.2012. It has a life of 5 years with a salvage value of Rs. 40 lakhs. Apply the test of impairment on 31.3.2015 : (a) Present value of future cash flow Rs. 1.3 crores ; and (b) Net selling price Rs. 1.2 crores.
23. The taxable profit of Alpaha for the year ended 31<sup>st</sup> March 2017 was Rs. 1,00,000 :

Deductible temporary differences :	2016	2017
	Rs.	Rs.
Accounts Receivable	... 10,000	15,000
Provision for employee benefits	... 65,000	80,000
Taxable temporary differences	...	
Prepaid insurance	... 20,000	30,000

Assuming tax rate at 30%, calculate the tax expenses for the period ending 2017.

24. BC Co. disposes of an asset by way of a finance lease. The carrying amount is Rs. 70,000 the sale proceeds are at fair value at Rs. 1,20,000 and the useful life is 5 years. There are 5 annual rentals of Rs. 28,000. Set out the journal entries on disposal and calculate the total profit effect of the lease each year, assuming the finance charges and depreciation on straight line basis.

25. Calculate the tax base of an asset as outlined in IAS 12 — Income Taxes of the following assets :
- A machine was purchased during the current accounting period for Rs. 250,000. Depreciation of Rs. 50,000 was charged in arriving at the accounting profit for the current period. A deduction of Rs. 1,00,000 was given against taxable profits by the local tax authorities against the taxable profits of the current period. The remaining cost will be deductible in future periods, either as depreciation or as a deduction on disposal.
  - A current asset of Rs. 60,000 relates to interest receivable. The related interest revenue will be taxed on a cash basis when it is received.
26. How is the revenue from contracts recognised ?
27. Explain the characteristics of liabilities ?
28. A company capitalizes interest cost of holding investments and adds to cost of investment every year, thereby understating interest cost in profit and loss account. Whether it leads to unusual accounting ? Support your answer with IAS 16.

(6 × 4 = 24 marks)

**Part D***Answer any two questions. Each question carries 15 marks.*

29. Describe the process offsetting IFRS Standards.
30. The following trial balance relates to Patel Ltd. at 31<sup>st</sup> March, 2018 :

	Dr. (Rs. 000 )	Cr. (Rs. 000)
Lease rental	5,000	
Revenue		10,40,000
Cost of sales	5,85,800	
Distribution costs	15,200	
Administrative expenses	39,600	
Loan interest paid	9,600	
Property-cost	4,00,000	
Property - depreciation at 1 <sup>st</sup> April, 2017		75,000
Plant and equipment - cost	3,37,200	
Plant and equipment -depreciation at 1 <sup>st</sup> April 2017		97,200
Licence - cost	80,000	
Licence-amortization at 1 <sup>st</sup> April, 2017		32,000
Trade receivables	81,400	
Inventory-31 <sup>st</sup> March, 2018	37,600	
Bank	3,900	
Trade payables	70,400	
Ordinary shares of 50p each		1,00,000
12 % loan note (issued 1 <sup>st</sup> April, 2017)		80,000
Taxation		4,000
Income surplus at 1 <sup>st</sup> April, 2017		88,900
<b>Total</b>	<b>15,91,400</b>	<b>15,91,400</b>

**Turn over**

The following notes are relevant :

- (a) On 1<sup>st</sup> April, 2017 Patel Ltd. revalued its property to Rs. 480 crores, of which Rs. 120 crores relates to the land. The property's original cost on 1<sup>st</sup> April, 2007 of Rs. 400 crores included Rs. 100 crores for the land. The building had an estimated life of 40 years when it was acquired and this has not changed as a result of the revaluation. Depreciation is charged on a straight line basis. The revaluation has not yet been recorded in the books. Patel Ltd. has a policy of transferring any excess depreciation to retained earnings.
- (b) During the year, Patel Ltd. sold some plant that cost Rs. 40 crores on 1<sup>st</sup> December, 2016. The proceeds of this sale were Rs. 24 crores and these have been credited to cost of sales. No other entries have been made relating to the disposal. Plant and equipment is to be depreciated on the reducing balance basis at a rate of 20 % per annum. Patel Ltd. charges a full year's depreciation in the year of acquisition and none in the year of disposal.
- (c) The licence is being amortized on the straight line basis at a rate of 20% per annum. All depreciation and amortization is to be charged to cost of sales.

Required : (i) Prepare a statement of profit or loss and other comprehensive income for the year ended 31<sup>st</sup> March 2018 ; (ii) Prepare a statement of changes in equity for the year ended 31<sup>st</sup> March 2018 ; and (iii) Prepare a statement of financial position as at 31<sup>st</sup> March 2018.

31. Astor Limited had the following condensed Trial Balance as at 31-03-2015 :

<i>Debit</i>	<i>Amount</i>	<i>Credit</i>	<i>Amount</i>
Cash	... 7,500	Current Liabilities	... 15,000
Account Receivable	... 30,000	Long-Term Notes Payable	... 25,500
Investments	... 20,000	Bonds Payable	... 25,000
Plant Assets	... 67,500	Capital Stock	... 75,000
Land	... 40,000	Retained Earnings	... 24,500
	<u>1,65,000</u>		<u>1,65,000</u>

During 2014-2015, the following transactions took place :

- (i) A tract of land was purchased for Rs. 7,750 cash ; (ii) Bonds payable in the amount of Rs. 6,000 were retired for cash at face value ; (iii) An additional Rs. 20,000 equity shares were issued at par for cash ; (iv) Dividends totalling Rs. 9,375 were paid ; (v) Net income for 2014-2015 was Rs. 28,450 after allowing for depreciation of Rs. 9,500 ; (vi) Land was purchased through the issuance of Rs. 22,500 in bonds ; (vii) Astor Limited sold a part of its investments portfolio for Rs. 12,875 cash. The transaction resulted in a gain of Rs. 1,375 for the firm ; (viii) Current liabilities increased to Rs. 18,000 at 31-3-2015 ; and (ix) Accounts receivable at 31-3-2015 total Rs. 38,000. Prepare a statement of cash flows for 2014-2015 with the indirect method as per AS-3 (Revised).

(2 × 15 = 30 marks)

**FIFTH SEMESTER B.Com. DEGREE EXAMINATION, NOVEMBER 2017**

(CUCBCSS—UG)

**BCM 5B 10—FINANCIAL REPORTING**

Time : Three Hours

Maximum : 80 Marks

**Part A***Answer all questions.**Each question carries 1 mark.*

1. The original cost at which an asset or liability is acquired is known as :
  - (a) Amortization.
  - (b) Replacement cost.
  - (c) Historical cost.
  - (d) Carrying cost.
2. Impairment loss is recognised when :
  - (a) Carrying amount of an asset is less than its recoverable amount.
  - (b) Carrying amount of an asset is less than its original acquisition cost.
  - (c) Carrying amount of an asset exceeds its recoverable amount.
  - (d) Fair value of asset is less than the undiscounted expected future cash inflows.
3. According to Ind. AS 115, a promise to transfer to customer either goods or service is known as :
  - (a) Agreement.
  - (b) Contract.
  - (c) Performance obligation.
  - (d) Liability.
4. At point of harvest an entity measures agricultural produce that it picks from its orchards (biological assets) :
  - (a) At fair value.
  - (b) At fair value less cost to sell.
  - (c) At cost.
  - (d) At lower of cost and estimated selling price less cost to complete and sell.
5. Cash receipts from customers for the sale of goods are cash flows from :
  - (a) Cash flows from operating activities.
  - (b) Cash flows from financing activities.
  - (c) Cash flows from investing activities.
  - (d) Operating or financing activities.

**Turn over**

6. Events that arise after financial statements are published are called \_\_\_\_\_.
7. When a lease transfers substantially all the risks and rewards of ownership to lessee, this is called \_\_\_\_\_.
8. Gain or loss in sale of an intangible asset is recognised in \_\_\_\_\_.
9. A contract that gives the holder the right but not the obligation to subscribe to the entity's shares at a fixed or determinable price for a specified period of time is called \_\_\_\_\_.
10. IAS 24 and Ind. AS 24 are dealing with \_\_\_\_\_.

(10 × 1 = 10 marks)

### Part B

*Answer any eight questions.*

*Each question carries 2 marks.*

11. What is IFRS ?
12. Define an Intangible Asset.
13. Compute cost inventory using the information below :  
Purchase of merchandise for re-sale—Rs. 10,00,000  
Merchandise returned to vendor—Rs. 1,00,000.  
Interest on notes payable to vendors Rs. 1,50,000.  
Freight on merchandise—Rs. 2,50,000.
14. What is Differed Tax Asset ?
15. Explain the impact of Loan Repayment on Income Tax as per IAS 12.
16. Explain the going concern concept with reference to IAS 1.
17. What is an Operating Segment ?
18. List any *four* Qualitative Characteristics of information in Financial Reports.
19. Explain the Impact of following Errors Income Statement :
  - (a) Closing inventory overstated by Rs. 50,000.
  - (b) Rent Expenses understated by Rs. 25,000.
20. Define Contingent Liability.

(8 × 2 = 16 marks)

## Part C

Answer any six questions.  
Each question carries 4 marks.

21. ABC Limited had the following loans in place at the beginning and end of the financial year 2015-16.

	April 1, 2015	March 31, 2016
10 % Bank loan repayable in 2018 ...	12,00,000	12,00,000
9.5 % bank loan repayable in 2019 ...	8,00,000	8,00,000
8.9 % debentures repayable in 2017 ...	—	15,00,000

The 8.9 % debentures was issue to fund the construction of acquiring asset (a piece of mining equipment) construction of which began on 1<sup>st</sup> January, 2016.

On 1<sup>st</sup> April 2015, the company began construction of a qualifying asset, a piece of machinery for a hydro-electric plant, using existing borrowings. Expenditure drawn down for the construction was Rs. 11,00,000 on 1<sup>st</sup> April, 2015 and 6,00,000 on January 2016.

Calculate Capitalization Rate and Borrowing Costs to be capitalized for the Hydro Electric Plant Machine ?

22. Sigma Ltd. grants 120 Share Options to each of its 230 Employees. Each grant is conditional on the employee working for Sigma Ltd. over the next three years. Sigma Ltd. has estimated that the fair value of each share option is Rs. 24. Sigma Ltd has estimated that 25 % of employees will leave during the three year period and so forfeit their rights to their share options. Everything turns out exactly as expected. Calculate the amount to be recognized as expense during the vesting period.
23. A company bought an asset for Rs. 15,00,000 on April 2014. It had a useful life of Ten years. On 1st April 2016, the asset was revalued to Rs. 24,00,000. The expected life has remained (eight years remaining). How is this accounted for ?
24. An entity owns a fleet of vehicles that uses to deliver its products. At the end of 2015-16, a particular truck of X Ltd. has a carrying amount of Rs. 90,000 (Original cost Rs. 1,90,000, accumulated depreciation Rs. 1,00,000). The original estimate of the useful life of the truck is 7 years and it has an estimated residual value of Rs. 50,000. Because of the low fuel efficiency of the truck the entity has decreased the usage of the Truck. Market value for similar trucks in an active resale market is Rs. 60,000 ; license and title fees associated selling the truck is Rs. 2,000. Is there any internal or external indicator for impairment, if so, find the amount of impairment loss to be recognized and recorded the journal entry in the books ?

Turn over

25. Calculate cost of purchase of inventories that should be included in the purchase cost :

(i) Purchase price	Rs. 2,50,000.
(ii) Penalty charges for overdue payments	Rs. 5,000.
(iii) Discount on purchase price	3 % on purchase price.
(iv) Travel expense of purchase department	Rs. 8,000.
(v) VAT 2 % on purchase price	
(vi) Import duties	Rs. 10,000.
(vii) Forwarding charges for external transport	Rs. 2,000.
(viii) Transport insurance	Rs. 2,000.
(ix) Internal storage cost of receiving materials	Rs. 6,000.
(x) Cost of a letter of reference	Rs. 1,000.
(xi) Internal transport cost between stock location	Rs. 3,000.
(xii) Commission and brokerage paid	Rs. 5,000.

26. Briefly explain the concept of revenue recognition with reference to AS 9.

27. James and James Co. Ltd. had 5,00,000 equity shares outstanding on 01-01-2010. Net profit for 2010 was Rs. 12,00,000. Average fair value per share during 2010 was Rs. 20. James and James Co. had given share option to its employees of 1,00,000 shares at an option price of Rs. 15. Calculate basic EPS and diluted EPS.

28. XYZ Ltd. had the following financial data for the year ended on 31<sup>st</sup> March 2017 :

Particulars	Amount	
		Rs.
Capital expenditure	...	75,00,000
Dividend declared	...	1,20,000
Net income	...	17,00,000
Common stock issued	...	33,00,000
Increase in accounts receivable	...	12,00,000
Depreciation and amortization	...	3,50,000
Proceeds from sale of assets	...	6,00,000
Gain on sale of assets	...	50,000

Based on above data calculate ending cash balance at 31<sup>st</sup> March, 2017 assuming an opening cash balance of Rs. 47,00,000.

(6 × 4 = 24 marks)

## Part D

Answer any two questions.  
Each question carries 15 marks.

29. What is meant by IFRS? Discuss the need for and benefits of IFRS convergence.
30. The Trial Balance of Mercury Limited As On 31<sup>st</sup> March 2016 is as follows :—

Particulars	Dr.	Cr.
	Rs.	Rs.
7% preference shares of Re. 1	...	5,00,000
Ordinary shares of Re. 1 each	...	2,50,000
Share premium account	...	1,80,000
Retained earnings as on April 1, 2015	...	1,80,000
Inventory on April 1, 2015	... 4,50,000	
Land at cost	... 3,00,000	
Building cost	... 9,00,000	
Building accumulated depreciation	...	1,35,000
Plant at cost	... 10,20,000	
Plant accumulated depreciations as on April 1, 2015	...	3,70,000
Trade payables	...	9,00,000
Trade receivables	... 6,00,000	
Allowance for doubtful debts, April 1, 2015	...	25,000
Purchases	... 20,30,000	
Administrative expenses	... 2,05,000	
Revenue	...	3,00,000
Distribution cost	... 24,00,000	
Other expenses	... 50,000	
Bank balances	... 1,10,000	
Ordinary dividend paid	... 25,000	
10 % loans	...	5,00,000
<b>Total</b>	<b>59,30,000</b>	<b>59,30,000</b>

Turn over

You are provided with the following information :

- (a) Depreciation on building is to be provided at 5 % per annum, and allocate to administrative expenses.
- (b) Plant is to be depreciated at 20 % per year using reducing installments method and included in distribution cost.
- (c) Closing inventory is valued at Rs. 5,00,000.
- (d) Allowance for doubtful debts is to be maintained at 5 % of trade accounts receivables.
- (e) An accrual for distribution wages is required.
- (f) Interest on loan has not been paid during the year.
- (g) During June, a bonus issue of 2 for 5 was made to ordinary shareholders. This has not been entered into the books. The bonus shares do not rank for dividend for the current financial year.
- (h) Provisions are to be made for the following :—
  - (I) Preference dividend for the year.
  - (II) An income tax charge of Rs. 55,000 for the year.

Your are required to prepare for the mercury limited for the year ended 31<sup>st</sup> March 2016 in accordance with the IAS 1 presentation of financial statements, the following :—

- (i) A statement of profit and loss.
- (ii) A statement of change in equity.
- (iii) A statement of financial position.

31. Following are the abridged Financial Statements of HAYAT Ltd.

Statement of comprehensive income for the year ended 31<sup>st</sup> March 2016 :

<i>Particulars</i>	<i>Amount (Rs.)</i>
Revenue	... 8,50,000
Cost of sales	... (6,37,500)
Gross profit	... 2,12,500
Administrative expense	... (28,100)
Operating expense	... (73,600)
Profit from operations	... 1,10,800
Finance cost	... (15,800)
Profit before tax	... 95,000
Income tax expenses	... 44,000
Profit for the period	... 51,000

*Statement of change in equity for the year ended 31<sup>st</sup> March 2016 :*

<i>Particulars</i>	<i>Share capital</i>	<i>Revaluation Reserve</i>	<i>Accumulated profit</i>	<i>Total</i>
Balance at the beginning of the year ...	1,20,000	—	1,21,000	24,10,000
Revaluation of building ...	—	20,000	—	20,000
Profit for the period ...	—	51,000	51,000	
Dividend paid ...	—	—	(25,000)	(25,000)
Repayment of share capital ...	(20,000)	—	—	(20,000)
Balance at the end of the year ...	1,00,000	20,000	1,47,000	2,67,000

*Statement of financial position as on 31<sup>st</sup> March, 2016*

<i>Assets</i>	<i>31<sup>st</sup> March 2016</i>	<i>31<sup>st</sup> March 2015</i>
<i>Non-current assets</i>		
<i>Property plant and equipments</i>		
Office buildings		
Machinery	2,50,000	2,20,000
Motor vehicle	35,000	20,000
Long term loans to creditors	6,000	4,000
	64,000	60,000
<i>Current assets</i>		
Inventories		
Debtors	82,000	42,000
Prepaid expense	63,000	43,000
Bank	21,000	16,000
	-	6,000
	1,66,000	1,07,000
<i>Total Assets</i>	5,21,000	4,11,000
<i>Equity and liabilities</i>		
<i>Capital and reserves</i>		
Share capital		
Re-valuation reserve	1,00,000	1,20,000
Accumulated profit	20,000	
	1,47,000	1,21,000
<i>Non-current borrowings</i>	2,67,000	2,41,000
Long term borrowings		
<i>Current liabilities</i>	99,000	1,25,000
Creditors		
Bank	72,000	35,000
Tax due	43,000	
	40,000	10,000
	1,55,000	45,000
<i>Total equity and liabilities</i>	5,21,000	

Turn over

**Additional information :**

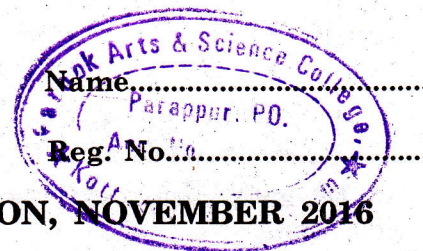
- (a) The following depreciation charges are included in Operating Expenses :
- (i) Machinery Rs. 25,000, (ii) Motor vehicle Rs. 2,000.
- (b) Fully depreciated machinery with an original cost price of Rs. 15,000 was sold for Rs. 5,000 during the year. The profit is included in Operating Expenses.
- (c) The financial manager mentions that the accounts allege the company is heading for a possibility of liquidity crisis. According to him the company struggled to meet its short term obligations during the current financial year.

Prepare statement of cash flow and commend on the opinion of finance manager.

(2 × 15 = 30 marks)

D 11118

(Pages : 4)



**FIFTH SEMESTER B.Com. DEGREE EXAMINATION, NOVEMBER 2016**

(CUCBCSS—UG)

**BCM 5B 10—FINANCIAL REPORTING**

Time : Three Hours

Maximum : 80 Marks

**Part A**

*Answer all the questions.*

*Each question carries 1 mark.*

1. Which of the following is the fundamental assumption of financial statements as per the IASB conceptual framework ?
  - (a) Going concern.
  - (b) Materiality.
  - (c) Substance over form.
  - (d) Relevance.
2. Which of the following IAS deals with Income Tax ?
  - (a) IAS 12.
  - (b) IAS 29.
  - (c) IAS 36.
  - (d) IAS 7.
3. Which of the following is not the outcome of biological transformation according to IAS 41 ?
  - (a) Growth.
  - (b) Procreation.
  - (c) Harvest.
  - (d) Degeneration.
4. In which of the following situations the Net Realisable Value of an item of inventory is likely to be lower than Cost :
  - (a) Product cost of item decreases.
  - (b) Item becomes obsolete.
  - (c) Selling price of the item increases.
  - (d) Demand for the item increases.
5. The IFRS that considers Revenue from contracts with customers :
  - (a) IFRS 2.
  - (b) IFRS 15.
  - (c) IFRS 8.
  - (d) IAS 34.
6. Ind AS 7 requires dividend paid to be classified as an item of \_\_\_\_\_ activity.

Turn over

7. According to IAS 23, borrowing cost directly attributable to acquire a qualifying asset is to be \_\_\_\_\_.
8. The impairment loss is the amount by which \_\_\_\_\_ amount of an asset exceeds its recoverable amount.
9. An identifiable non-monetary asset without physical substance is called \_\_\_\_\_.
10. A liability of uncertain timing or amount is called \_\_\_\_\_.

(10 × 1 = 10 marks)

**Part B**

*Answer any eight questions.  
Each question carries 2 marks.*

11. Brief the meaning of IFRS ?
12. Mention the methods of depreciation allowed in the measurement of PPE as per Ind AS 16.
13. What is meant by amortization as per IAS-38 ?
14. Cite the scope of IAS 12.
15. Point out the purpose of statement of cash flows.
16. How the finance lease is initially recognized in the accounts of lessee ?
17. Show the categories of Employee Benefits as per IAS 19.
18. List the complete set of financial statements as per IAS 1.
19. Define Accounting Policies.
20. What is carrying amount ?

(8 × 2 = 16 marks)

**Part C**

*Answer any six questions.  
Each question carries 4 marks.*

21. What are the advantages of setting of Accounting Standards ?
22. Briefly discuss the objectives and uses of financial statements.
23. How will you value the inventory per kg. of finished goods consisted of : Material cost Rs. 100 per kg.; Direct Labour cost Rs. 20 per kg.; Direct variable production overhead Rs. 10 per kg.; Fixed production charges for the year on normal capacity of One lakh kgs. is Rs. 10 lakhs. 2,000 kgs. of finished goods are on stock at the year end.
24. On 1-10-2015 AB Ltd. made an issue of 1,00,000 equity shares . The company's accounting year ends on 31<sup>st</sup> December. Relevant information for the year 2015 is given below :

	31-12-2014	31-12-2015
	Rs.	Rs.
Number of shares as at	80,00,000	90,00,000
Profit as per tax and		
Preference dividend	40,00,000	45,00,000

Compute EPS for 2014 and 2015.

25. The components of the cost of a major item of equipment are given below :

Purchase price Rs. 7,00,000, import duties Rs. 1,20,000 ; VAT (refundable) Rs. 60,000 ; Site Preparation Rs. 40,000 ; Installation Rs. 30,000 ; Testing Rs. 10,000 ; Initial losses before asset reaches planned performance Rs. 50,000 ; Discounted cost- of dismantling and removal at the end of useful life Rs. 40,000. Compute the cost of the asset to be recognised as per IAS 16- Property Plant and Equipment.

26. Define borrowing cost and mention the core principle of its recognition.  
 27. When a provision is recognized as per IAS 37 ?  
 28. Show a scheme of accounting entries in the books of lessee for a finance lease ?

(6 × 4 = 24 marks)

### Part D

*Answer any two questions.  
 Each question carries 15 marks.*

29. Explain the objectives, underlying assumptions, and qualitative characteristics of financial statements as stated in conceptual framework for financial reporting.  
 30. The following is the Trail Balance of ABC Ltd. as at 31-03-16

		(Rs. 000)
	Dr.	Cr.
Leasehold Property at Valuation 1-4-2015	50,000	
Plant and Equipment at cost	76,600	
Plant and Equipment -Accumulated Depreciation as at 1-4-15		24,600
Closing Inventory as at 31-3-16	20,000	
Trade Receivables	43,000	
Bank		1,300
Trade Payables		24,700
Revenue		3,00,000
Cost of sales	2,00,000	
Distribution Expenses	10,000	
Administration Expenses	25,000	
Interest on bank borrowings	1,800	
Dividend paid	10,000	
Retained earnings at 1-4-15		20,000
Deferred Tax		5,800
Leasehold Property Revaluation Reserve		10,000
Equity Share Capital (Rs. 10 shares)		50,000
<b>Total</b>	<b>4,36,400</b>	<b>4,36,400</b>

Turn over

Following Notes are relevant :

- (a) The leasehold Property had a remaining life of 20 years at 1-4-15. The company's policy is to revalue its property at each year end. At 31-3-16 the property was valued at Rs. 43 million.
- (b) On 1-4-15 an item of plant was sold for Rs. 2.5 million cash. The proceeds have been treated as sales revenue by the company. The Plant is still included in the above trail balance at its cost Rs. 8 million and accumulated depreciation of Rs. 4 million (to the date of sale). All plant is depreciated at 20 per cent per annum using the reducing balance method. Depreciation on Property and Plant is to be charged to cost of sales.
- (c) The directors have estimated the provision for income tax for the year ended 31-3-16 at Rs. 12 million. The required deferred tax provision is at 31-3-16 is Rs. 6 million.

You are required to prepare :

- (i) Statement of Profit or loss and other Comprehensive income for the year ended 31-3-16.
- (ii) Statement of Changes in Equity for the year ended 31-3-16.
- (iii) Statement of Financial Position as at 31-3-16.

31. AB Ltd, a merchandising company commenced its operations on 1-4-2015. The following is the Statement of profit and loss for the year ended 31-3-2016.

	(Rs. 000)	(Rs. 000)
	Dr.	Cr.
By Sales	...	10,000
Purchases	...	8,000
Closing stock	...	(2,000)
Cost of goods sold		(6,000)
Gross Margin		4,000
Operating Expenses (including Depreciation Rs. 500)	...	(2,500)
Interest received	...	200
Interest paid	...	(100)
Profit Before Tax	...	1,600
Income tax expense	...	600
Net profit	...	1,000

Following additional information is provided :

- (a) As on 31-3-16 Rs. 10,00,000 were due from customers.
- (b) As on 31-3-16 Rs. 10,00,000 were due to creditors for goods and Rs. 5,00,000 were due to creditors for services.
- (c) Income tax expense includes Rs. 2,00,000 deferred tax expense , and total amount of current tax liability has already been paid as advance tax. Calculate the amount of net cash flow statement for the year 2015-16 according to IND AS 7.

(2 × 15 = 30 marks)