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Register Number:

DATE:

**ST. JOSEPH’S COLLEGE (AUTONOMOUS), BANGALORE-27**

**BBASF – II SEMESTER**

**SEMESTER EXAMINATION: April 2022**

**Examination Conducted in JULY-AUGUST 2022**

**BA SF 2321: Financial Reporting**

Time-2 hrs Max Marks-60

**This paper contains \_\_\_\_\_printed pages and four parts**

**Section A**

**I.** Answer ***any five*** of the following (**5x2 = 10 Marks)**

1. What is comprehensive income?
2. What is cash from operating activities?
3. Define intangible assets.
4. What is Depletion?
5. Write note on deferred tax asset.
6. What is stock warrant?
7. What is impairment of assets?

**Section B**

**II.** Answer ***any three***of the following (**3x5 = 15 Marks)**

1. From the following information prepare Income statement for the year 31st March 2022

|  |  |
| --- | --- |
| Particulars | Amount $ |
| Salaries | 10,000 |
| PF Contribution | 12,000 |
| Bonus to employee | 10,000 |
| Closing stock | 30,000 |
| Depreciation and amortization expenses | 10,000 |
| Purchase of stock in trade | 70,000 |
| Opening stock | 40,000 |
| Sales | 8,00,000 |
| Tax during the year | 50,000 |
| Others income | 20,000 |

1. Differentiate between Perpetual and periodic Inventory system
2. What is stock option? Write benefits of stock option.
3. Explore the differences between depreciation, depletion and amortisation .

**Section C**

**III.** Answer ***any two***of the following (**2x10 = 20 Marks)**

1. What is Fair Value? Enumerate the steps involved in Fair Value measurement.
2. Infra Ltd has furnished following information.

Opening inventory $10,000

Purchases during the year $45,500

Purchase returns $1,200

Freight in $2,000

Ending inventory $7,500

Purchase discount claimed 2%.

Calculate COGS and Inventory Turnover ratio and inventory holding period.

1. What is Preference share capital? Explain various types of preference capital.

**Section D**

**III. Answer the following (1x15=15 Marks)**

1. “Matching principle is part of the accrual accounting method”- Justify the statement. (10 marks)
2. The Cuba Inc. bond with face value $1,000 carrying annual coupon rate of 12%. The bond will mature in 9 years. Required rate of return for such an investment is 15% annually. How much is the bond worth now?(5 marks)

|  |  |  |
| --- | --- | --- |
| Year & rate | PVF | PVFA |
| 9 years, 12% | 0.3606 | 5.328 |
| 9 years, 15% | 0.2843 | 4.7716 |