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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**

**BBA SF 2419: Financial Reporting**

Time-21/2 hrs Max Marks-70

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

**Section A**

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

1. Define intangible assets.
2. What is Perpetual Bond?
3. What is a stock warrant?
4. Write the items come under other comprehensive income
5. Write difference between cash flow statement and Balance sheet.
6. What is statement of changes in equity?

**Section B**

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

1. Explore the need for financial reporting.
2. Differentiate between cash dividend and stock dividend.
3. Analyse various types of depreciation.
4. Infra Ltd has furnished following information.

Opening inventory $25,000

Purchases during the year $65,000

Purchase returns $2,000

Ending inventory $7,000

Calculate COGS and Inventory Turnover ratio.

**Section C**

**III.** Answer ***any two*** of the following (**2x15 = 30 Marks)**

1. Equipment bought on 1/1/2018 for $20,000 with estimated useful life of 4 years and salvage value $4,000. Machine expected to have an estimated total output of 1000units over its life. Actual output was 150 units per year for 2018 and 2019 and 200 units per year for 2020 to 2021. Calculate the depreciation for the year 2018-2021 under Straight line method, double decline balance method and Activity method.
2. The following transactions took place in respect of a material item:

|  |  |  |  |
| --- | --- | --- | --- |
|  | Receipt quantity  | Rate $ | Issue quantity  |
| Jan 2 | 150 units | 2.50 | - |
| Jan 10 | 300 units | 3.40 | - |
| Jan 16 | - | - | 250 units |
| Jan 21 | 250 | 3.80 |  |
| Jan 28 | - | - | 200 units |

Prepare stores ledger sheet and closing stock as 31st Jan.

1. FIFO method
2. LIFO
3. Weighted average method
4. “Revenues should match with the expenses are in the income statement for an accounting period”-Discuss.

**Section D**

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

1. Answer following questions:
2. Following balances are extracted from Candy Inc. Prepare income statement for the year ending 31st March 2022 (10 marks)

|  |  |
| --- | --- |
| Particulars  | $ |
| Opening stock | 1,90,500 |
| Material purchased | 2,92,000 |
| Salaries to staff | 68,000 |
| Closing stock  | 2,03,000 |
| Interest on debenture | 16,250 |
| General Exp | 8,250 |
| Discount earned | 4,900 |
| Cash sales | 2,66,000 |
| Credit Sales  | 3,87,500 |
| Income tax Provision  | 30,000 |
| Goodwill write off | 18,000 |
| Sales return | 17,000 |
| Provision for bad debts | 8,200 |
| Income tax refund | 11,500 |
| Delivery expenses | 7,200 |
| Printing &S67tationery  | 22,600 |
| Factory exp | 82,000 |
| Bonus to employee | 32,000 |
| Depreciation on plant and machinery  | 50,000 |

1. Differentiate between LIFO and FIFO method of Inventory valuation.(5 marks)