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No. of printed pages: 2

SARDAR PATEL UNIVERSITY
B Com (Honours) (VI Semester) (4 Years) Examination
2017
Saturday, 8th April
2.00 pm - 4.00 pm
UB06ECOM14 - Corporate Disclosures in India

Total Marks : 60**Note:** Figures to the right indicate full marks of the question.

Q.1

- (a) What is the meaning of Financial Statements ? Explain the objectives of Financial Statements ? (08)
- (b) Explain the qualitative characteristics of Financial Statements. (07)

OR

Q.1

- (a) Explain the elements of Financial Statements. (07)
- (b) Describe the fundamental accounting assumptions in the Indian contexts. (08)

Q.2

- (a) Discuss conditions to be satisfied for amalgamation in the nature of merger as per AS 14. (07)
- (b) Explain the following accounting methods as per AS 14: (08)
- (i) Pooling interest method
- (ii) Purchase method

OR

Q.2 The Balance Sheet of A Ltd. and B Ltd. as on 31st March, 2017 are given below: (15)

Balance Sheet as on 31st March, 2017

| Liabilities | A Ltd. Rs. | B Ltd. Rs. | Assets | A Ltd. Rs. | B Ltd. Rs. |
|--|----------------|----------------|-------------------------|----------------|----------------|
| Equity shares capital (Rs 10 per share) | 5000000 | 3000000 | Land & Building | 2500000 | 1550000 |
| 14% pref. share capital (Rs. 100 per share) | 2200000 | 1700000 | Plant & Machine | 3250000 | 1700000 |
| General Reserve | 500000 | 250000 | Furniture & Fittings | 575000 | 350000 |
| Export profit reserve | 300000 | 200000 | Investments | 700000 | 500000 |
| Investment Allowance reserve | - | 100000 | Stock | 1250000 | 950000 |
| Profit & Loss Account | 750000 | 500000 | Debtors | 900000 | 1030000 |
| 13% Debentures (Rs. 100 each) | 500000 | 350000 | Cash & Bank | 725000 | 520000 |
| Trade Creditors | 450000 | 350000 | | | |
| Other Current Liabilities | 200000 | 150000 | | | |
| | 9900000 | 6600000 | | 9900000 | 6600000 |

A Ltd. takes over B Ltd. on 5 April, 2017. The purchase consideration is discharged as follows:

- (i) Issued 350000 equity shares of Rs. 10 each at par with the equity shareholders of B Ltd.
- (ii) Issued 15% preference shares of Rs. 100 each to discharge the preference shareholders of B Ltd. at 10% premium.

- (iii) The debentureholders of B Ltd. will be converted into equivalent number of debentures of A Ltd.
- (iv) The statutory reserves of B Ltd. are to be maintained for two more years. Prepare the opening balance sheet of A Ltd. after amalgamation on the assumption that the amalgamation is in the nature of merger.

Q.3 Explain in detail the principles of Corporate Governance. Also give the suggested (15) list of items of Corporate Governance Report in Annual Report of the Indian Listed Companies.

OR

Q.3 Write a note on: (15)

- (a) Cadbury Committee Report
- (b) Corporate Governance Rating

Q.4

(a) List out the format of Profit and Loss statement as per Part II of Revised Schedule VI. (08)

(b) Write a note on disclosure requirements regarding Reserves & Surplus as per the Revised Schedule VI. (07)

OR

Q.4 Write a note on: (15)

- (a) Board of Director's Report
- (b) Auditor's Report

