

[A-20]

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SARDAR PATEL UNIVERSITY

B.Com. (Hons.) IA (CBCS) Examination-2016

SEMESTER-VI

7th April, 2016, Thursday

10:30 a.m. to 12:30 p.m.

Corporate Disclosure in India (UB06ECOM14)

Total Marks: 60

Q-1[a] What do you mean by Financial Statements? State its components with their sources. Also describe its qualitative characteristics. [10]

[b] Write a note on Directors' Responsibility Statement. [05]

OR

Q-1 Write short notes on the followings: [15]

1. Valuation bases
2. Fundamental Accounting Assumptions
3. Elements of financial statements

Q-2 A Ltd. And B Ltd. were amalgamated on and from 1st April, 2012. A new company C Ltd. was formed to take over the business of the existing companies. The balance sheet of A Ltd. and B Ltd. as on 31st March, 2012 are given below: [15]

(Rs. In Lakhs)

Liabilities	A Ltd.	B Ltd.	Assets	A Ltd.	B Ltd.
Equity share capital (Rs.10 per share)	800	750	Land & Building	550	400
12% Preference Share capital (Rs.100 each)	300	200	Plant & Machinery	350	250
Revaluation Reserve	150	100	Investments	150	50
General Reserve	170	150	Stock	350	250
Investment Allowance Reserve	50	50	Debtors	250	300
Profit and Loss a/c	50	30	Bills receivable	50	50
10% Debentures (Rs.100 each)	60	30	Cash & Bank	300	200
Creditors	270	120			
Bills Payable	150	70			
	2000	1500		2000	1500

Additional Information:

1. 10% Debenture holders of A Ltd. And B Ltd. are discharged by C Ltd. issuing such number of its 15% Debentures of Rs.100 each so as to maintain the same amount of interest.
2. Preference shareholders of two companies are issued equivalent number of 15% preference shares of C Ltd. At a price of Rs.150 per share (face value Rs.100)
3. C Ltd. Will issue 5 equity shares for each equity share of A Ltd. And 4 equity shares of each equity share of B Ltd. The shares are to be issued @ Rs.30 each having a face value of Rs.10 per share.
4. Investment allowance reserve is to be maintained for more 4 years.

Prepare the balance sheet of C Ltd. As on 1st April, 2012 after the amalgamation has been carried out in the nature of Purchase.

OR

Q-2[a] How do you recognize revenue in the following cases as per AS-9? [07]

- a. Sale of goods
b. Rendering of Services
- [b] Define the followings: [04]
1. Borrowing cost as per AS 16
 2. Investment property as per AS 13

- [c] Big Ltd. And Small Ltd. have set up a joint venture, JV, in the ratio of 40% and 60% respectively. Both Big Ltd. and Small Ltd. are required to prepare consolidated financial statements. The balance sheets of both co-ventures and JV are given below: [04]

	Big Ltd.	Small Ltd.	JV
Share capital	5,00,000	3,00,000	1,00,000
Reserves	3,00,000	1,00,000	50,000
Loans	2,00,000	1,00,000	30,000
Total	10,00,000	5,00,000	1,80,000
Fixed Assets	8,00,000	3,50,000	1,20,000
Investment in JV	40,000	60,000	-
Net working Capital	1,60,000	90,000	60,000
Total	10,00,000	5,00,000	1,80,000

Show the reporting of JV in the consolidated financial statements of Big Ltd. and Small Ltd.

- Q-3 Explain briefly the requirements of the clause 49 in respect of Corporate Governance. [15]

OR

- Q-3[a] What do you mean by Corporate Governance? Also give the suggested list of Items of Corporate Governance Report in Annual Report of the Indian Listed Companies. [10]

- [b] Write a note on Principles of Corporate Governance. [05]

- Q-4 What is Balance Sheet? Give the brief view of Part I of Schedule VI to the Companies Act, 1956. [15]

OR

- Q-4 Write notes on the followings: (any three) [15]

1. Board of Director's report
2. Auditor's report
3. 'True and Fair View' of Financial Statements
4. Disclosure requirements of Revenue from Operations
