**SESSION August 2023**

**PROGRAM MASTER OF COMMERCE (M.COM.)**

**SEMESTER I**

**COURSE CODE & NAME DCM 6106-FINANCIAL ACCOUNTING & REPORTING**

**Assignment Set – 1**

**Questions**

**1. From the following information, Prepare income statement and balance sheet of Sriram ltd. on 31st March 2021**

**Amount**

**Particulars Amount Particulars**

Capital 207100 Cash atBank 26000

Drawing 7000 Salaries 8000

Plant &Machine 120000 Repairs 1900

Deliveryvehicle 26000 Opening Stock 16000

sundrydebtors 36000 Rent 4500

Manufacturing

Sundrycreditors 26000 Expenses 1500

Purchases 20000 BillsPayable 23500

Sales 42000 Bad debts 5000

Carriage

Wages 8000 Inwards 1600

**Additional Information:**

1. **Closing stock wasRs.16000**
2. **Depreciate Plant & Machine @10% and Delivery vehicle@20%**
3. **Unpaid rent amounted toRs.1000**

 **Provision for Bad debt is to be made at 10%**

**Ans:** To prepare the income statement and balance sheet for Sriram Ltd. as of March 31, 2021, let's start with the income statement and then move on to the balance sheet.

**Income Statement (for the year ended March 31, 2021):**

**---------------------------------------------------------**

 Income Statement

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**2. Elaboratetheconceptualframeworkofaccountingasperqualitativecharacteristicsand justify its necessity ofadopting.**

**Ans:**The conceptual framework of accounting provides a foundation for developing accounting standards and principles. It is a set of guidelines and concepts that form the basis for preparing and presenting financial statements. The conceptual framework is based on qualitative characteristics that financial

**3. a. State the principles and method of recognizing Investment in Associate and Joint Venture in consolidated FinancialStatements.**

**Ans:**When preparing consolidated financial statements, the accounting treatment for investments in associates and joint ventures follows specific principles and methods. The principles are typically in line with the accounting standards such as International Financial Reporting Standards (IFRS) or Generally Accepted Accounting Principles (GAAP).

**Below are the principles**

**Assignment Set -2**

**Questions**

**1. a. List out reporting areas that may be relevant to a particular company or organization when considering matters related to Corporate Responsibility (CR) in financial reporting.**

**Ans:**

**Here is a list of reporting areas that may be relevant to a particular company or organization in the context of Corporate Responsibility:**

**Sustainability Reporting:**

**Environmental Performance:** Reporting on the organization's impact on the environment, including carbon emissions, energy consumptio

**b. Explain the difference between Impairment and Depreciation of Non -Current Assets.?**

**Ans: Let's explore the key differences between impairment and depreciation:**

**1. Nature of the Concepts: Depreciation:**

**Definition:** Depreciation is the systematic allocation of the cost of a tangible fixed asset over its useful life.

**Purpose:** Depreciation is used to match the cost of the asset with the revenue it generates over time. It reflects

**2. Write short note on:**

1. **Indian Accounting Standard.**
2. **Integrated Reporting**
3. **Impairment of Non-Current Assets**

**Elements of Revenue Account of Banking Company.**

**Ans:**

**1. Indian Accounting Standard (Ind AS):**

**Indian Accounting Standards (Ind AS)** are a set of accounting standards adopted by companies in India for the preparation and presentation of financial statements. Ind AS aligns with the International Financial Reporting Standards (IFRS), ensuring consistency and comparability of financial statements globally. The adoption of Ind AS was mandated by the Ministry of Corporate Affairs in India for certain classes of companies to enhance transparency, reliability,

**3. From the two Balance sheets of H ltd. And S Ltd. Prepare a consolidate balance sheet.**

|  |  |  |  |
| --- | --- | --- | --- |
|  |  |  |  |
| **Particulars** | **Note No.** | **H Ltd.** | **S Ltd.** |
| **I. Equity and Liabilities** |   |   |   |
| 1) Shareholders Funds: |   |   |   |
| a) Share Capital- Equity share of Rs.10 each |   | 120000 | 30000 |
| b) Reserves & Surplus- General Reserve |   | 25000 | 6000 |
|  Profit & Loss Account |   | 12000 | 9000 |
| **2) Share Application Money pending allotment:** |   |   |   |
| **3) Non-Current Liabilities:** |   |   |   |
| **4) Current Liabilities:** |   |   |   |
| a) Short-Term borrowings |   |   |   |
| b) Trade Payables- Creditors |   | 15000 | 5000 |
| **Total** |  | **172000** | **50000** |
| **II. Assets:** |   |   |   |
| **1) Non-Current Assets:** |   |   |   |
| a) Fixed assets |   |   |   |
| i) Tangible assets |   |   |   |
| Building at Cost |   | 72000 | 25000 |
| Plant & Machinery (Net) |   | 30000 | 10000 |
| b) Non-Current Investments- 2000 Equity shares of S Ltd. of Rs.10 each |   | 25000 |   |
| **2. Current Assets:** |   |   |   |
| a) Current Investments |   |   |   |
| b) Inventories- Stock |   | 18000 | 3000 |
| c) Trade Receivables-Debtors |   | 22000 | 7000 |
| d) cash & cash equivalents- Bank |   | 5000 | 5000 |
| **Total** |  | **172000** | **50000** |

**When H Ltd. Acquired 2000 shares in S Ltd., the latter company had reserves amounting to Rs.5000- none of which has been distributed since then.**

**Ans:**

To prepare the consolidated balance sheet for H Ltd. and S Ltd., we need to consolidate the assets, liabilities, and equity of both companies, considering the investment in S Ltd. by H Ltd.

Let's present the consolidated balance sheet:

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