



**ST. JOSEPH’S UNIVERSITY, BANGALORE-27**

**BBASF- II SEMESTER**

**SEMESTER EXAMINATION: April 2023**

**(Examination Conducted in May 2023)**

**BASF2321 Financial Reporting**

(For current batch students only)

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. Write note on Income statement.
2. What is cost of goods sold?
3. What is stock warrant?
4. What is bonus stock
5. Mention two features of financial reporting.
6. What is perpetual bond?

**Section B**

**II.** Answer ***any four*** of the following (**4x5 = 20 Marks)**

1. Jensen Company uses a perpetual inventory system. The following purchases and sales were made during the month of May:

May Activity Description

1 Balance 100 units at $10 per unit

9 Purchase 200 units at $10 per unit

16 Sale 190 units

21 Purchase 150 units at $12 per unit

29 Sale 120 units

If Jensen Company uses the first-in, first-out (FIFO) method of inventory valuation, find out inventory value as on 31st May.

1. What is stock option? Write benefits of stock option?
2. What is self constructed asset? How is it computed?
3. Explain deferred tax liability.
4. Enumerate Matching concept with example.

**Section C**

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

1. What is US GAAP? Differentiate between USGAAP and IFRS.
2. Machinery purchased on 1st January 2020 for $12000 with estimated life of 4 years and salvage value 2000. Machine estimated output of 1000 units over its life. Actual output was 200 units for the year 2020and 2021 and 250 units for 2022-2023. Show the carrying value and depreciation amount based on SLM, DDB and SYD method.
3. A company issues 1000 stocks1.1.2020. Each stock par value $10 issued at $17. The company received down payment of $2 per stock. On 31st March 2023, 300 stocks retired at $19 which was issued at $17. Pass necessary journal entries for issue and retirement of stock.

**Section D**

**III. Answer the following (1x10=10 Marks)**

1. a. What is multi-step income statement?
2. From the following information prepare single-step Income statement for the year 31st March 2023

| Particulars | Amount $ |
| --- | --- |
| Salaries  | 10,000 |
| PF Contribution  | 10,000 |
| Bonus to employee | 10,000 |
| Closing stock | 33,000 |
| Depreciation and amortization expenses | 10,000 |
| Purchase of stock in trade | 74,000 |
| Opening stock | 40,000 |
| Sales  | 750,000 |
| Tax during the year | 50,000 |
| Others income | 20,000 |