



Institute of Management
JK LakshmiPat University
Jaipur

END TERM EXAMINATION 2018

Programme: B.Com Sem- VI
MM: 50 Marks

Course: Financial Reporting and Analysis

Time: 3 Hours

Subject code: BCH604

Instructions: Attempt any three questions from Section A. Section B is compulsory.

Section A

- Q1. "Triple Bottom Line (TBL) consists three dimensions Social Security, Economic and Environmental Factors." Comment and explain the implementation of TBL while bringing out the benefits of TBL in the context of above statement. (2+8)
- Q2. a) "Human resource accounting is the process of identifying and reporting investments made in the human resources of an organization." Explain by highlighting the necessity of Human Resources Reporting. (4)

b)

From the following details, compute the total value of human resources of skilled and unskilled group of employees according to Lev and Schwartz (1971) model:

	Skilled	Unskilled
(i) Annual average earning of an employee till the retirement age.	60,000	40,000
(ii) Age of retirement	65 years	62 years
(iii) Discount rate	15%	15%
(iv) No. of employees in the group	30	40

Assume average age 62 years for skilled and 60 years for unskilled group of employees. (6)

- Q3. "Annual reports are intended to give shareholders and other interested people information about the company's activities and financial performance." Discuss the contents of an Annual report in brief with an example of any company. (10)
- Q4. a) "Corporate Governance is an ethically driven business process that is committed to values, aimed at enhancing its brand and reputation." Elucidate. (5)
- b) Discuss external reporting under capital market regulations. (5)
- Q5. Write a brief note on Global Reporting Initiative and International Federation of Accountants. (5+5)

Section B

- Q6. a) "Value added arises due to input output relationship with various stakeholders." Explain. Also define the concept of Market Value Added and Shareholder's Value Added. (6+2)
- b) A Company has provided following data and wants to measure earnings efficiency. You are required to compute Economic Value Added (EVA) for this company.

Liabilities	(Fig. in lakhs)	Assets	(Fig. in lakhs)
Share Capital	1,000	Fixed Assets	3,000
Reserve & Surplus	2,000	Investments	150
Long Term Debt	200	Current Assets	100
Trade Payables	50		
	3,250		3,250

Additional information provided is as follows:

Profit before Interest and Tax is	₹ 1,000 Lakhs
Interest is	₹ 20 Lakhs
Tax Rate	35.875%
Risk Free Rate	10%
Market Rate	15%
Beta (b) factor	1.4

(12)