

IIM Raipur – PGP Batch 2024-26, Term I

End-term Examination, Time: 150 Minutes, Total Marks: 40, Date: 25 Sep. 2024

NAME: _____ SECTION: _____ ROLL # _____

ACKNOWLEDGEMENTS

To Dr Avinash Ghalke CFA, CA Shri **Azad Purohit (co-creator)** & CA Shri Kamlesh Thakker, and to many other Accounting Rockstars therein ... within your batch and outside who have contributed to this small co-creation ...

INSTRUCTIONS

This is an open textbook examination based on “**The Economic Times**” Newspaper (dated 02-09-2024), owned by **M/s Bennett, Coleman & Co. Ltd.** You are not allowed to borrow books, calculators, etc. Answer all questions. Answer only in the space provided below. Please read all footnotes (some of them might contain crucial information). Marks in brackets at the start of each section indicate the marks assigned for that section.

Anyone who resorts to unfair practices, as judged by the examiner, the minimum penalty will be zero in this segment of evaluation, while the maximum penalty could be expulsion from the institute. There will be no further warnings.

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Peer Evaluation: Within Batch

The information given below will be kept confidential (excluding yourself, name any student or mention his / her roll number)

In my view, _____ (mention the name OR roll number of one student)
and _____ in the complete batch helped in better learning of the course

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Peer Evaluation: Within Groups

The information given below will be kept confidential

Your Group No. _____ **OR Allocated Company Annual Report** _____

Excluding yourself, RANK the names / roll numbers of other group members whom you believe have contributed the most for annual report-based assignments, case write ups, discussions, and preparation (including analysis, etc.):

Name/Roll No of the Student →	Student 1 (Most contributed) ↓	Student 2 ↓	Student 3 ↓	Student 4 ↓	Student 5 (Least contributed) ↓
Example 1 (for 5 member group)	Yogesh	Ranjan	Rajesh	Sangita	Ram Kumar
Example 2 (for 4 member group)	Pradipta	Pranith	Prerna	Ajith	
Your Group (please fill) →					

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WELCOME TO THE MULTI-COURSE MEAL ... P.T.O.

I. Platter of Kebabs with Somras

[Total Marks: 8, Each Correct Answer: +1 mark]

1. Please refer to page 20 *ET Panache* article titled “**Donor’s criticism about museum ...**” Please describe the accounting treatment for the 35,000,000-pound remodel being done for the Sainsbury wing of the National Gallery in London treatment in the books of the National Gallery? (you can use either your first principles or the relevant accounting standards or anything else of your choice to rationalise your answer). Please give the relevant effect in the accounting books through journal entry or accounting equation method — with narration.
2. Please refer to page 20 *ET Panache* article titled “**Donor’s criticism about museum ...**” Please describe the accounting treatment for the loss in revenue due to closure of the Sainsbury wing of the National Gallery until 2025. Please give the relevant effect in through either journal entry or accounting equation method — with narration.
3. Please refer to page 20 *ET Panache* article titled “**\$3.5 million**”. It is known that these rainbow gem-pattern watches were stored separately for over two decades. Describe the accounting

treatment by Rolex for the storage costs involved till auction. Please give the relevant effect in through either journal entry or accounting equation method — with narration.

4. Please refer to page 20 *ET Panache* article titled “**Antil, the Gold Standard**”. It is known that PCI follows Companies Act 2013. How will PCI treat the Rs 7 Lakh given to Antil for prosthetic leg in its books. Please show the relevant effect through journal entry or accounting equation method — with narration.

5. Please refer to page 20 *ET Panache* article titled “**Antil, the Gold Standard**”. It is known that PCI follows Companies Act 2013. How will PCI treat the funds (say, Rs A) given to Antil for

training in Finland and Tunisia. Please show the relevant effect through journal entry or accounting equation method — with narration.

6. Please refer to page 20 *ET Panache* article titled “**A summit to strengthen ties**”. How will the export promotion bureau of Chile, M/s ProChile, treat the event costs (say, Rs B) for this 2024 summit. Please show the relevant effect through journal entry or accounting equation method — with narration.

7. Please refer to page 20 *ET Panache* article titled “**A summit to strengthen ties**”. It is known that M/s Bennett, Coleman & Co. Ltd. (Bennett) received Rs C for this specific promotional

feature from M/s ProChile. Please show the relevant effect for ProChile through journal entry or accounting equation method — with narration.

8. Please refer to page 20 *ET Panache* article titled “**How to strengthen your happiness muscle**”. It is known that M/s Bennett Coleman & Co. Ltd. paid a fee of Rs D for publishing this article to M/s The New York Times. Please show the relevant effect for Bennett through journal entry or accounting equation method — with narration.

II. Kachumber Salad

[Total Marks: 2, Each Correct Answer: +¼ mark]

9. Please refer to page 20 *ET Panache* articles referred in questions 1 to 8 above and identify their impact on the cash flow statement in the table below by stating the type of activity (if any) (i.e., operating/investing/financing activity) and the impact on the cash by way of inflow/outflow (if any). The first filled up row is a sample illustration:

Question, Item	Business Entity	Impact on Cash Flow Statement (if any) along with the Type of Activity
<i>Example, Question 10</i>	<i>LIC</i>	<ul style="list-style-type: none"> • <i>Cash Outflow on 03-08-2024, Operating Activity</i> • <i>No Impact on Cash Flow Statement on 02-09-2024</i>
Question 1, Paid 35 million Pound	National Gallery	
Question 2, Revenue Loss till 2025	National Gallery	
Question 3, Yearly Storage Costs Paid	Rolex	
Question 4, Gave Rs 7 Lakh Loan to Antil	PCI	
Question 5, Paid Rs A for Antil's Training in Finland and Tunisia	PCI	
Question 6, Paid Rs B of Event Summit Cost	ProChile	
Question 7, Paid Rs C for Promotional Feature in the ET Panache	ProChile	
Question 7, Paid Rs D to New York Times	Bennett & Coleman	

III. Mulligatawny Soup

[Total Marks: 9, Each Correct Answer: +1 mark]

10. Please refer to front page *Advertisement* by “**Life Insurance Corporation of India**” (LIC) on its 68th anniversary. It is known that M/s Bennett Coleman & Co. Ltd. (Bennett) was paid 100% advance of Rs E by LIC for publishing this on 03-08-2024. Please show the relevant effect through journal entry or accounting equation method **by LIC** — with narration on 03-08-2024 as well as on 02-09-2024.

11. Please refer to front page *Advertisement* by “**Life Insurance Corporation of India**” (LIC) on its 68th anniversary. It is known that M/s Bennett Coleman & Co. Ltd. (Bennett) was paid 100% advance of Rs E by LIC for publishing this on 03-08-2024. Please show the relevant effect through journal entry or accounting equation method **by Bennett** — with narration on 03-08-2024 as well as on 02-09-2024.

12. Please refer to front page, back side “**Life Insurance Corporation of India**” *Advertisement* on its product, LIC’s Yuva Term. It is known that M/s Bennett Coleman & Co. Ltd. (Bennett)

agreed for this business on terms “3/10, net 90” (see section 3.10.3). A price of Rs F was invoiced by Bennett to LIC for publishing this. Using NEFT, LIC decided to pay on 01-12-2024. Please show the relevant effect through journal entry or accounting equation method **by LIC** — with narration on 02-09-2024 as well as on 01-12-2024.

13. Please refer to front page, back side “**Life Insurance Corporation of India**” *Advertisement* on its product, LIC’s Yuva Term. It is known that M/s Bennett Coleman & Co. Ltd. (Bennett) agreed for this business on terms “3/10, net 90” (see section 3.10.3). A price of Rs F was invoiced by Bennett to LIC for publishing this. Using NEFT, LIC decided to pay on 01-12-2024. Please show the relevant effect through journal entry or accounting equation method **by Bennett** — with narration on 02-09-2024 as well as on 01-12-2024.

14. Please refer to page 7 “**Mahindra XUV 3XO**” *Advertisement* by M/s Mahindra & Mahindra Ltd (Mahindra). It is known that M/s Bennett Coleman & Co. Ltd. (Bennett) agreed for this business on terms of “3/10, net 90” (see section 3.10.3). A price of Rs G was invoiced by

Bennett to Mahindra for publishing this. Using RTGS, Mahindra decided to pay on 12-09-2024. Please show the relevant effect through journal entry or accounting equation method **by Mahindra** — with narration on 02-09-2024 as well as on 12-09-2024.

15. Please refer to page 7 “**Mahindra XUV 3XO**” *Advertisement* by M/s Mahindra & Mahindra Ltd (Mahindra). It is known that M/s Bennett Coleman & Co. Ltd. (Bennett) agreed for this business on terms of “3/10, net 90” (see section 3.10.3). A price of Rs G was invoiced by Bennett to Mahindra for publishing this. Using RTGS, Mahindra decided to pay on 12-09-2024. Please show the relevant effect through journal entry or accounting equation method **by Bennett** — with narration on 02-09-2024 as well as on 12-09-2024.

16. Please refer to page 5 “**Times Internet Initiative**” *Advertisement* by one arm of M/s Bennett Coleman & Co. Ltd. (Bennett) in their own newspaper, The Economic Times. Expenses worth Rs H were incurred in publishing this advertisement. Please show the relevant effect through journal entry or accounting equation method **by Bennett**.

17. Please refer to page 10 article titled “**Smaller Hospitals A Picture ...**”. *In the table provided, identify the companies with lowest and highest net profit margins.* Basis the same, a line of analysis/interpretation is required.

18. Please refer to page 8 ET Speaking Tree titled “**Scorecards are Incidental**”. Use it for a short 50-word critique on Section 7.9 of the book titled Using Financial Statements Information.

IV. Rotiyan Ka Tokri

[Total Marks: 6, Each Correct Answer: +2 mark, Each No Attempt: – ½ mark]

19. Please refer to page 1 “**ABCD**” Advertisement by M/s Aditya Birla Capital Digital Ltd. (ABCDL). It is known that M/s Bennett Coleman & Co. Ltd. (Bennett) agreed for this business on terms of “3/10, net 90” (see section 3.10.3). A price of Rs H was invoiced by Bennett to ABCDL for publishing this. Using M/s Dekh Ke Roya Bank Cheque # 420, ABCDL decided to pay on 12-09-2024. However, the cheque bounced due to signature mismatch on 13-09-2024. A fresh cheque # 501 of M/s Hasee Majak Bank was issued by ABCDL on 17-09-2024. This cheque got honoured on 18-09-2024. Please show the relevant effect through journal entry or accounting equation method **by ABCDL** — with narration on 02-09-2024, 12-09-2024, 13-09-2024, 17-09-2024 and 18-09-2024.

20. Please refer to page 1 “**ABCD**” Advertisement by M/s Aditya Birla Capital Digital Ltd. (ABCDL). It is known that M/s Bennett Coleman & Co. Ltd. (Bennett) agreed for this business on terms of “3/10, net 90” (see section 3.10.3). A price of Rs H was invoiced by Bennett to ABCDL for publishing this. Using M/s Dekh Ke Roya Bank Cheque # 420, ABCDL decided to pay on 12-

09-2024. However, the cheque bounced due to signature mismatch on 13-09-2024. A fresh cheque # 501 of M/s Hasee Majak Bank was issued by ABCDL on 17-09-2024. This cheque got honoured on 18-09-2024. Please show the relevant effect through journal entry or accounting equation method **by Bennett** — with narration on 02-09-2024, 12-09-2024, 13-09-2024, 17-09-2024 and 18-09-2024.

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21. Refer to Page 18, notice titled “**Cochin International Airport Ltd.**”.
- How will the tender cost and EMD received by the Airport be treated in the accounting books?

- b. If you were asked to do the bidding on behalf of infrastructure giant, L&T, then how will the tender cost and the EMD spent by you will be treated in your companies' books?

V. Chicken Chettinad / Palak Paneer

[Total Marks: 4]

22. Please refer to 2-full pages *Public Announcement* by “**Gala Precision Engineering Limited**” (Gala) on their initial public offer of equity shares. Assuming a subscription of 200% at a price of Rs 529 for the net offer and a final acceptance of 100% subscription for all the equity shares — please prepare the accounting steps through journal entry or accounting equation method **by Gala** — with narration on application, allotment, refund-cum-issue of equity shares. Do assume that *offer for sale* is by a single party (call them as promoters) and *fresh issue* is for the remainder of the equity shares.

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VI. Pineapple Raita

[Total Marks: 5, Each Correct Answer: +½ mark]

23. Please refer to 2-full pages *Public Announcement* by “**Gala Precision Engineering Limited**” (Gala) on their initial public offer of equity shares. Using the information provided therein, estimate the following figures:
- Basic earnings per share;
 - Diluted earnings per share;

- c. Market capitalization as on the date of RHP (i.e., Red Herring Prospectus) using the issue price of Rs 529;
- d. Net profit for FY2024;
- e. Number of dilutive potential ordinary shares;
- f. Number of shares outstanding as on the date of RHP;
- g. Par value of equity share
- h. Revenue from Operations for FY2024;
- i. (Weighted average) book value per share for FY2024.
- j. (Weighted average) net worth for FY2024;

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VII. Hyderabad Biryani

[Total Marks: 2 mark, Each Correct Answer: +1 mark, Each Wrong Answer: -½ mark, Each No Attempt: -½ mark]

24. Please refer to page 18 article titled “**Tata Consumer Completes ...**” FYI, Tata Group owns this listed firm, Tata Consumer Products Ltd. with a market cap of over Rs 1.2 Lakh Crore. (a) **Identify 2-3 specific IndAS** that will be used to deal with this situation for presentation of the forthcoming financial statements as well as the annual report. Please be as precise as possible. (b) Will this deal give rise to any **corporate governance** issues to the above listed firm? — If NO, then succinctly rationalize your answer. If YES, then succinctly summarize them by clearly identifying the benefitting/affected stakeholder(s) and rationalize your answer.

25. Please refer to page 5 article titled “**Large Offshore Investment ...**” If the stated information is true, then the companies doing the write-offs of overseas investments are indulging in which level of earnings management (see, Section 10.4 of the book). Please justify answer.

VIII. Nolen Gurer Sandesh

[Total Marks: 4, Each Correct Answer: +2 mark, Each Wrong Answer: – ½ mark]

26. Please refer to page 5 *ET Exclusive* article titled “**Dabur, Jubilant Owners ...**” FYI, Burmans have a listed firm, Dabur India Ltd. with a market cap of over Rs 1.1 Lakh Crore. Jubilant Bhartia group has listed firms such as Jubilant Foodworks Ltd, Jubilant Ingrevia Ltd, Jubilant Pharmova Ltd & Jubilant Industries Ltd; with the flagship being valued at over Rs 0.4 Lakh Crore.

a) If the deal goes through in Coca-Cola India’s WOS HCCB through their listed flagships as co-investors — then **identify 2-3 specific IndAS** that get triggered for each of the above five firms. Please be as precise as possible.

b) Will this deal give rise to any **corporate governance** issues to the above five listed firms? — If NO, then succinctly rationalize your answer. If YES, then succinctly summarize them by clearly identifying the benefitting/affected stakeholder(s) and rationalize your answer.