

XLRI JAMSHEDPUR – BM

End-term Examination, Time: 180 Minutes, Weightage: 30%, Date: 07 Sep. 2015

NAME: _____

ROLL # _____

INSTRUCTIONS

This is a closed book examination. However, you are allowed to carry one page of A4-size handwritten cheat sheet / formula sheet. You are not allowed to borrow books, calculators, etc. Answer all questions. 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. In case of multiple-choice questions, you are required to mark (tick) the most appropriate choice in the question paper and also work out the solution (or given reasonable explanation) in the blank space provided below or on the other side of the page.

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

(You can pick a name of 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, give names / roll numbers of just two group members whom you believe have contributed the most for case write up, discussion, and preparation (including analysis, etc.):

_____ and _____

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The Complete Paper is based on the 16-Pages Main Sheet of the 'Business Standard'

Newspaper

Section I

[Each Correct answer + 1 marks; Wrong answer – 0.25 marks]

1. This newspaper in your hand would not lead to the following
 - A. Increase in raddiwala's main income
 - B. Increase in main income of Business Standard
 - C. Increase in your other income
 - D. Increase in your main income
 - E. Increase in main income of the person selling newspaper

2. Refer to Page 1, article titled "Australian Project..." Which company will have most difficulty in obtaining further long term funds from financial institutions
 - A. Adani Enter.
 - B. Adani Power
 - C. Adani Ports
 - D. Denctile Banks
 - E. SunEdison Inc.

3. Refer to Page 1, article titled "Ten years..." such action by ICAI has led to the creation of the following institutional intermediary
 - A. International Financial Reporting Standards
 - B. Indian Accounting Standards Board
 - C. National Financial Accounting Standards Board
 - D. National Advisory Committee on Accounting Standards
 - E. Bharat-III GAAP Committee

4. Refer to Page 1, article titled "Govt's capital..." It implies nations _____ is having an immediate jump
 - A. Capital Work In Progress
 - B. Contingent Liabilities
 - C. Long-Term Revenue Expenditures
 - D. Long-Term Investments
 - E. Intangible Assets including IPRs

5. Refer to Page 1, article titled "Govt's capital..." Assuming all the infrastructure contracts to be structured as payable on completion basis – then Government's present _____ will increase
 - A. Other Income
 - B. Current Liabilities & Provisions
 - C. Long-Term Liabilities
 - D. Current Assets
 - E. None of the above

6. Refer to Page 2, article titled "Unitech raises..." The amount so raised will essentially be not part of _____ in Unitech's financial statements
 - A. Unearned Revenue
 - B. Advance from Customers
 - C. Loan
 - D. Inter Corporate Deposits
 - E. Deposits from Customers

7. Refer to Page 2, article titled, "Rs. 10,247-cr tax...", 9.8 percent stake held by Cairn Energy UK in Cairn India will be reflected in books of Cairn India as
 - A. Long-Term Investments
 - B. Current liability
 - C. Contingent liability
 - D. Contingent asset
 - E. None of the Above

8. Refer to Page 2, article titled "Despite Grand Prix..." The awards bagged by BBDO India be reflected in its annual report as part of

- A. Management Discussion and Analysis
- B. Auditors Report
- C. Balance Sheet
- D. Notes to Accounts
- E. Income Statement

9. Refer to Page 2, Article titled "Cram for that exam..." Which form of business entity is suitable for Toppr.com?

- A. Private Limited Company
- B. Public Limited Company
- C. One Person Company
- D. Limited Liability Partnership
- E. Guaranteed Company

10. Refer to Page 2, Article titled "Cram for that exam..." Refer to the Fact Box of the said article. Where will the transaction be reflected in books of Toppr.com and Saif Partners?

- A. Long-term Liabilities and Investments
- B. Long-Term Liabilities and Advances
- C. Investments and Shareholder's Funds
- D. Shareholder's Funds and Stock in Trade
- E. Shareholder's Funds and Investment

11. Refer to Page 2, Article titled "Cram for that exam..." Refer to the Fact Box of the said article. Where will the transaction be reflected in Cash Flow Statements of Toppr.com and Saif Partners?

- I. Operating Activities
 - II. Investing Activities
 - III. Financing Activities
- From the above items:
- A. Toppr – (iii); Saif – (i) or (ii)
 - B. Toppr – (i) or (ii); Saif – (ii) or (iii)
 - C. Toppr – (ii) or (iii); Saif – (ii)
 - D. Toppr – (ii); Saif – (ii) or (i)
 - E. Toppr – (ii); Saif – (ii)
 - F. None of the above

12. Refer to Page 3, article titled "HDFC Bank surpasses..." If HDFC gives loan of 19% of its ceiling limit what procedures it has to follow :-

- (i) Take permission from the RBI;
- (ii) Pass a Board Resolution to Grant the Loan
- (iii) Disclosure in the Annual Report

From the above items:

- A. Only 'i' and 'ii'
- B. Only 'ii' and 'iii'
- C. Only 'i' and 'ii'
- D. All of the above
- E. None of the above

13. Refer to Page 3, article titled "Get pricing right..." The unsold housing units would be considered in _____ in Financial statements of Real estate firm and as _____ in books of HDFC

- A. Fixed Assets and Contingent Liabilities
- B. Capital Work in Progress and Advances
- C. Stock in Trade and Advances
- D. Unearned Revenue and Non-Performing Asset
- E. Capital Work in Progress and Non-Performing Asset
- F. Stock in Trade and Long-Term Liabilities

Refer to Page 3, advertisement of Taj. Abhishek Singh is an employee of Taj group. Belal Ahmed is working with ICICI bank and Niharika Mishra is working with Pepsi Company. Abhishek Singh due to his hard work was awarded a stay at Taj with his family, including father-in-law. Sharat Chandra also went at Taj with his family to attend the regional conference of ICICI Bank on the instruction of his branch manager, also his brother-in-law, on an official purpose. Niharika Mishra also went at Taj to enjoy and celebrate her mother-in-law's birthday. All of them sat on the same table and were chatting and each had received an invoice of Rs. 10,000.

Finally, each of them gave a tip of Rs. 200/- to the waiter, Sounak Maheshwari there. They were discussing of the items being part of their accounts and also the accounts of Taj Group as one of the following:

- | | |
|------------------------------|---------------------------------|
| i. Administrative Expenses | vii. Marketing Expenses |
| ii. Capitalized Expenditures | viii. Not be shown in the Books |
| iii. Cost of Goods Sold | ix. Other Income |
| iv. Drawings | x. Petty Cash Expenses |
| v. Employee Benefits | xi. Sales/Revenue |
| vi. Exceptional Items | |

Based on the above conversation – please answer the following three questions:

(fill in the blanks)

14. The Rs. 10,000/- expenditure incurred by will be shown in Abhishek Singh's books as _____ ; in the books of Taj group as _____ ; and the Rs. 200/- in the books of Sounak Maheshwari as _____ (fill in the blanks using one of the items mentioned above)
15. The Rs. 10,000/- expenditure incurred by will be shown in Belal Ahmed's books as _____ ; in the books of Taj group as _____ ; and the Rs. 200/- in the books of Sounak Maheshwari as _____ (fill in the blanks using one of the items mentioned above)
16. The Rs. 10,000/- expenditure incurred by will be shown in Niharika Mishra's books as _____ ; in the books of Taj group as _____ ; and the Rs. 200/- in the books of Sounak Maheshwari as _____ (fill in the blanks using one of the items mentioned above)
17. Refer to Page 4, article titled 'Australian project...' The article stresses on Adani Group's huge investment and a MOU being signed between group and some State Government to set up solar parks. The ground work done (say, earlier visits to Australia) prior to the signing of MoU shall form part of the Adani Groups Financial statements _____
- | | |
|---------------------------------------|---------------------------|
| A. Losses carried forward | D. Revenue expenditure |
| B. Deferred revenue expenditure | E. Exceptional item costs |
| C. Intangible assets for amortization | |
18. Refer to Page 5, article titled "IIM Lucknow..." Suppose the organization follows credit policy of "2/10 net 45". What will be the journal entry in the books of IIM Lucknow on the date of publishing of advertisement?
- | |
|---|
| A. No transaction. Mere publication of advertisement is not enough |
| B. By Advertisement Expenditure A/c, To Dr, Business Standard Cr |
| C. By Advertisement Expenditure A/c Dr, To Cash & Cash Equivalents Cr |
| D. By Business standard Dr, To Advertisement Expenditure Cr |
| E. None of the Above |
19. Refer to Page 5, article titled "IIM Lucknow..." It is known that 10 people were nominated by PSU-giant NTPC and were sent for training on Sustainable Supply Chain Management. The payment was made immediately by NTPC prior to the training. This will be reflected in the books of NTPC as
- | |
|--|
| A. By Operating Expense Dr , To Cash & Cash Equivalents Cr |
| B. By Cash & Cash Equivalents Dr, To Training expenses Cr |
| C. By Training Expense Dr, To IIM Lucknow Cr |
| D. By IIM Lucknow Dr, To Training expense Cr |
| E. None of the Above |

20. Refer to Page 5, Article Title: "KKalpana Industries.." Which of the combination of the following would you agree to:

- (i) The company has a decent amount of ESOPs and/or Warrants pending conversion
- (ii) Primary Source of Funding in FY2015 is Short-Term Borrowings
- (iii) The company does have some foreign currency borrowing
- (iv) The company has not presented its numbers as per IFRS and/or schedule III

I agree to the following combination from the above items:

- A. (iii) and (iv) only
- B. (i) and (iii) only
- C. (ii) and (iv) only
- D. (ii) and (iii) only
- E. (ii), (iii) and (iv) only
- F. All of the above

21. Refer to Page 5, Article: "KKalpana Industries..." Figures therein hint at the following possibility during FY2015:

- A. Short Term Loans And Investments is financed by Sale of Fixed Assets
- B. Short Term Loans And Investments is financed by Short-Term Borrowings
- C. Purchase of Fixed Assets is financed by Short Term Loans And Investments
- D. Repayment of Long-Term Borrowings is financed by Short-Term Borrowings
- E. Other Current Liabilities are financed by Short Term Borrowings

22. Refer to Page 5, Article: "KKalpana Industries..." If we construct the Cash Flow Statement of the organization for FY2015 using the indirect method. Then, it would reveal the following on working capital items:

- (i) Trade receivables as a source
- (ii) Inventories as a source
- (iii) Trade payables as a use

I agree to the following combination from the above items:

- A. (i) and (ii) only
- B. (i) and (iii) only
- C. (ii) and (iii) only
- D. None of the above
- E. All of the above

23. Refer to Page 5, Article: "KKalpana Industries..." Which of the following few items do you agree to:

- (i) It has not traded in finished goods
- (ii) High depreciation due to new capex
- (iii) Book value per share decreased
- (iv) Employees cost is highly variable

I agree to the following combination from the above items:

- A. (i) only
- B. (i) and (iii) only
- C. (iv) only
- D. None of the above
- E. All of the above

24. Refer to Page 5, Article Title: "KKalpana Industries...", The working capital lenders and vendors of the company after looking at the acid test ratio figures would be:

- A. Sad to extent of watching Devdas
- B. Call Kkalpana for quick improvement
- C. Neither sad nor happy
- D. Hazaar Happy
- E. Cannot be determined

25. Refer to Page 5, Article: "KKalpana Industries...". The impact on Profit & Loss Account on future receipt of Insurance Claim would be?

- A. Loss will be reversed to the extent of claim received
- B. No impact on Profit & Loss Statement as it was incurred in the previous year

- C. Shown as other Operational income
- D. Shown as Other Income
- E. Add to Cost of Goods sold

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