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PRESIDENCY UNIVERSITY BENGALURU

**SET B**

SCHOOL OF LAW

**END TERM EXAMINATION – MAY/JUNE 2024**

**Semester :** Semester IV - 2022

**Course Code :** BCL3104

**Course Name :** Accounting for Finance and Sustainability

**Program :** B.Com LLB Honors

**Date :** June 21, 2024

**Time :** 09.30am - 12.30pm

**Max Marks :** 100

**Weightage :** 50%

**Instructions:**

1. *Read all questions carefully and answer accordingly.*
2. *Question paper consists of 3 parts.*
3. *Scientific and non-programmable calculator are permitted.*
4. *Do not write any information on the question paper other than Roll Number.*

**PART A**

**ANSWER ANY FOUR QUESTIONS 4Q X 5M = 20 MARKS**

* 1. ESG reporting serves as a vital mechanism for companies to convey their dedication to sustainability, navigate ESG-related risks, foster trust with stakeholders, and foster sustainable value over the long term. Explain the various features of ESG.

(CO1) [Knowledge]

* 1. India has access to various channels of climate finance, encompassing both domestic and international avenues. Discuss the sources of climate finance in India.

(CO2) [Knowledge]

* 1. Modern capital budgeting methods encompass sophisticated techniques and models employed by companies to assess investment opportunities with greater precision and thoroughness. Recognize the difference between NPV and IRR.

(CO3) [Knowledge]

* 1. State the major heading under which the following items shown in the balance sheet of the Indian companies act 2013
     1. Stock
     2. Debentures
     3. Prepaid expenses
     4. Land and Budling
     5. Bank Over Draft

(CO4) [Knowledge]

* 1. From the following information, compute the Working Capital Ratio/ Current Ratio

**Particulars Rs**

Sundry Debtors 1,00,000

Prepaid Expenses 10,000

Cash and Cash Equivalents 30,000

Short term Investment 20,000

Machinery 7,000

Bills payables 20,000

Sundry Creditors 40,000

Inventories 40,000

Debentures 2,00,000

Outstanding expenses 40,000

(CO5) [Knowledge]

* 1. Calculate the Debtors turnover ratio from the following information’s:

Revenue from operations Rs. 2, 00,000 in which the Cash sales of Rs 50,000,

Opening Sundry Debtors Rs 40,000 and

Closing Sundry Debtors Rs. 20,000.

(CO5) [Knowledge]

**PART B**

**ANSWER ANY FOUR QUESTIONS 4Q X 10M = 40 MARKS**

* 1. As the Triple Bottom Line (TBL) concept garners increasing attention, a host of emerging challenges and opportunities are reshaping how organizations address sustainability and incorporate social, environmental, and financial factors into their strategies. Discuss the various challenges and opportunities of TBL.

(CO1) [Application]

* 1. In developing countries, climate finance necessitates a blend of strategies designed to tackle diverse challenges. Explain the role of climate finance in developing country economy.

(CO2) [Application]

* 1. (a) Sathya company is considering the purchase of machinery. Two machinery, X and Y each costing Rs.50, 000 are available. Cash inflows are expected to be as under**:**

**Years Machine X Machine Y**

2001 15,000 5,000

2002 20,000 15,000

2003 25,000 20,000

2004 15,000 30,000

2005 10,000 20,000

From the above information calculate the payback period for the two machines.

(B) Explain the importance of Capital Budgeting.

(CO3) [Application]

* 1. Draw specimen (proforma) of Statement of Profit & Loss of Indian Companies Act 2013 with imaginary figures.

(CO4) [Application]

* 1. (a) From the following particulars taken from the books of Tata Press Ltd., calculate the trade payable turnover ratio and average payment period. Total Purchase Rs 8,50,000, Cash Purchases

Rs.1, 00,000, Purchase return Rs. 50,000, Creditors at the beginning Rs 1, 20,000,

Creditors at the ending Rs.1, 60,000.

1. What is operating ratio? How it is calculated?

(CO5) [Application]

|  |  |  |
| --- | --- | --- |
| **12.** |  | |
|  | Particulars | Rs |
|  | **Equity and Liabilities** |  |
|  | **SHAREHOLDES FUNDS** |  |
|  | Share capital | 2,00,000 |
|  | **RESERVES AND SURPLUS** |  |
|  | Profit and Loss | 30,000 |
|  | General Reserves | 40,000 |
|  |  |  |
|  | **Non-Current Liabilities** |  |
|  | 12% Debentures | 4,20,000 |
|  | **Current Liabilities** |  |
|  | S. Creditors | 1,00,000 |
|  | Bills payables | 50,000 |
|  |  |  |
|  | **Total Liabilities** | **8,40,000** |
|  | **ASSETS** |  |
|  | **Non-Current Assets** |  |
|  | Land and Building | 1,40,000 |
|  | Plant and Machinery | 3,50,000 |
|  | **Current Assets** |  |
|  | Stock | 2,00,000 |
|  | Debtors | 1,00,000 |
|  | Bills receivables | 10,000 |
|  | Cash at bank | 40,000 |
|  | **Total Assets** | **8,40,000** |

Other Information:

Revenue from operations is 2,00,000, Net Profit is Rs 20,000 **Calculate:**

* 1. Current ratio
  2. Quick ratio
  3. Debt to Equity ratio
  4. Proprietary ratio
  5. Net Profit ratio

(CO5) [Application]

**PART C**

**ANSWER ANY TWO QUESTIONS 2Q X 20M = 40 MARKS**

**13.** ESG (Environmental, Social, and Governance) reporting acts as a valuable tool for companies to pinpoint areas for enhancement within their sustainability practices. How can ESG reporting help companies identify areas for improvement in their sustainability practices?

(CO1) [Analysis]

**14.** Prepare the Balance Sheet of TATA Ltd., as at 31st March, 2024 from the details given below:

|  |  |  |  |
| --- | --- | --- | --- |
| Particulars | | Rs |  |
| Reserves and surplus | | 2,00,000 |
| Long term liabilities | | 1,00,000 |
| Short term liabilities | | 20,000 |
|  | Application money pending on allotment | 40,000 |
|  | Trade payables | 50,000 |
|  | Share capitals | 5,00,000 |
|  | Long term provisions | 50,000 |
|  | Other current liabilities | 75,000 |
|  | Long term borrowings | 1,20,000 |
|  | Inventories | 25,000 |
|  | Cas and Cash Equivalents | 2,00,000 |
|  | other current Assets | 2,00,000 |
|  | Trade receivables | 1,35,000 |
|  | Goodwill | 1,30,000 |
|  | Closing working in progress | 1,15,000 |
|  | Tangible fixed Assets | 3,20,000 |
|  | Intangible Assets | 30,000 |
|  |  |  | (CO4) [Analysis] |
| **15.** | From the following information, calculate: |  |  |

* 1. Gross Profit ratio
  2. Inventory turnover ratio
  3. Current Ratio
  4. Liquidity Ratio/ Q quick ratio
  5. Net Profit ratio
  6. Working capital Turnover ratio

|  |  |  |
| --- | --- | --- |
| **Particulars** | **Rs** |  |
| Revenue from operations | 25,20,000 |  |
| Net Profit | 3,60,000 |  |
| Cost of Revenue from operations | 19,20,000 |  |
| Long term Debts | 9,00,000 |  |
| trade payables | 2,00,000 |  |
| Average Inventories | 8,00,000 |  |
| Current assets (Other than inventory) | 7,60,000 |  |
| Fixed Assets | 14,40,000 |  |
| Current Liabilities | 6,00,000 |  |
| Net Profit before interest and tax | 8,00,000 |  |
|  |  | (CO5) [Analysis] |