



PG – 530

**II Semester M.Com. (Financial Accounting)/M.F.A. Examination, June 2016  
(CBCS)**

**Paper – 2.1 : CONTEMPORARY ISSUES IN ACCOUNTING**

Time : 3 Hours

Max. Marks : 70

**Instruction :** Answer all Sections.

**SECTION – A**

Answer **any seven** of the following sub-questions. **Each** sub-question carries 2 marks.

**(7×2=14)**

1. a) What is matching principle ?
- b) What do you mean by off balance sheet financing ?
- c) Mention any four qualities of annual report recommended by True Blood Committee.
- d) Define Social Audit.
- e) What do you mean by defined contribution plan ?
- f) Why segment reporting is important ?
- g) What do you mean by real financial capital maintenance ?
- h) Define Human Resources Accounting.
- i) Give examples of 'materiality' in accounting.
- j) What is general price index ?

**SECTION – B**

Answer **any four** questions. **Each** question carries **five** marks.

**(4×5=20)**

2. Briefly explain the challenges of environmental reporting.
3. Write an explanatory note on 'Brand Valuation'.
4. Draw a format of 'interim report'.

**P.T.O.**



5. Briefly explain salient features of pension cost accounting.
6. Bring out the differences between 'Human asset' and 'Physical asset'.
7. Calculate the Monetary Working Capital Adjustment (MWCA) from the following :

	Opening	Closing
Debtors	₹ 50,00,000	₹ 70,00,000
Creditors	₹ 40,00,000	₹ 46,00,000
Index Number	100	120
Average index for the year	110	120

## SECTION – C

Answer **any three** questions. **Each** question carries **12** marks. **(3×12=36)**

8. Write a detailed explanatory note on the provisions of Corporate Social Responsibility Accounting under the Companies Act, 2013.
9. What are the objectives of segment reporting ? Illustrate segment disclosures as per AS – 17.
10. Examine the different approaches to Human Resource Accounting. Give some examples of HRA in Indian Context.
11. From the following information you are required to prepare :
  - a) Supplementary Comparative Balance Sheet in 2012 rupees.
  - b) Supplementary Income Statement in 2012 rupees.
  - c) The index numbers are as follows :

Year	Index
2010	100
2011	200
2012	225



**Balance Sheet of XYZ Co. Ltd.**

<b>Liabilities</b>	<b>2011</b>	<b>2012</b>	<b>Assets</b>	<b>2011</b>	<b>2012</b>
Equity Share Capital	50,000	50,000	Land & Buildings (Purchased in 1989)	30,000	30,000
P&L a/c	5,000	6,500	Plant & machinery (Purchased in 1999 for Rs. 26,000)	15,000	14,000
Creditors	5,000	7,000	Stock	6,000	7,000
			Debtors	5,000	7,500
			Cash	4,000	5,000
	<b>60,000</b>	<b>63,500</b>		<b>60,000</b>	<b>63,500</b>

12. An equipment costing ₹ 50,00,000 with a five year life can be leased for 5 years for payment of ₹ 12,00,000 per year at the end of each year. Alternatively you can borrow ₹ 50,00,000 and buy the equipment , 6% interest is payable on the outstanding balance at the close of each year, the principal being repayable in 5 equal instalments.

You are to compute depreciation at 20% on the original cost p.a. Corporate tax is to be reckoned at 50% and a fair return of 10% after tax is expected on the business funds. The present value factors for discounting at 10% are as below :

<b>Year</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
<b>P.V. factor</b>	0.909	0.826	0.751	0.683	0.621

Present your choice, with comparative analysis.

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**II Semester M.F.A. Degree Examination, June 2015  
(CBCS) (Semester Scheme)**

**Finance & Accounts**

**Paper – 2.1 : CONTEMPORARY ISSUES IN ACCOUNTING**

Time : 3 Hours

Max. Marks : 70

**SECTION – A**

**Note :** Answer **any seven** of the following sub-questions. **Each** sub-question carries **two** marks. **(7×2=14)**

1. a) What do you mean by value added statement ?
- b) What do you mean by defined contribution plan ?
- c) Define the term Accounting.
- d) State the components of HR Audit.
- e) Identify one important difference between general price level changes and specific price level changes.
- f) Name any three qualitative criteria used for evaluating financial reporting in emerging capital markets.
- g) What do you mean by operating lease ?
- h) What is Segment Reporting ?
  - i) What are the objectives of HR Accounting ?
  - j) What do you mean by real financial capital maintenance ?

**SECTION – B**

**Note :** Answer **any four** questions. **Each** question carries **five** marks. **(4×5=20)**

2. Briefly explain the difficulties in measuring and reporting financial information in the segment reporting.
3. How do you measure employer's pension expense ?

P.T.O.



4. Examine the role of Social Audit in business environment and strategy.
5. Briefly explain the challenges in environmental reporting.
6. An enterprise has purchased an exclusive right to generate hydro-electric power for 60 years. The costs of generating hydro-electric power are much lower than the costs of obtaining power from alternative sources. It is expected that geographical area surrounding the power station will demand a significant amount of power from the power station for at least 60 years. In this case, what is the amortization period over which the enterprise can amortize its cost of purchasing the exclusive right to generate hydro-electric power ? Discuss in the light of the Provisions of the Accounting Standard on Intangible Assets.
7. Bring out the limitations of financial statements.

#### SECTION – C

Note : Answer **any three** questions. **Each** question carries **12** marks. **(3×12=36)**

8. Write an analytical note on Corporate Social Responsibility Accounting.
9. Describe the accounting criteria and procedure for capitalizing leases by the lessee. Also state the disclosure requirements for leases.
10. Critically examine the relevance of Interim Reporting.
11. From the following details, according to Lev and Schwartz (1971) Model, compute the total value of human resource of the employee groups – skilled and unskilled.

Particulars	Skilled	Unskilled
Annual average earnings of an employee till the retirement age	₹ 50,000	₹ 30,000
Age of retirement	65 years	62 years
Discount rate	15%	15%
Number of employees in the group	20	25
Average age	62 years	60 years



12. The following figures are extracted from the Balance Sheet of XYZ Company and the government publications.

Particulars	Amount (₹)	
	1-4-2013	31-3-2014
Cash and bank balance	75,000	1,55,000
Trade debtors	2,50,000	3,00,000
Loans	2,55,000	2,00,000
Account payable	2,00,000	3,20,000
Retail Price Index (average for 2013-14 = 255)	250	260

Compute the net purchasing power gain or loss on monetary items. Also explain the accounting treatment of net purchasing power gain or loss on monetary items in the books of account.

SECTION - B