



**II Semester M.Com. (FA) Degree Examination, June/July 2018
(CBCS) (Semester Scheme)**

Paper – 2.1 : CONTEMPORARY ISSUES IN ACCOUNTING

Time : 3 Hours

Max. Marks : 70

Instruction : Answer should be **completely in English**.

SECTION – A

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

1. a) What is meant by Financial Reporting ? List out any two qualities of a good financial report.
- b) Name any four objectives of financial reporting.
- c) Name any two objectives of Corporate Social Responsibility Accounting (CSRA).
- d) What are social costs ? Give example.
- e) Name any two basic premises underlying the theory of Human Resource Accounting.
- f) "Are Human Resources Assets ?" Comment.
- g) Differentiate between the general price level changes and specific price level changes.
- h) State any two basic approaches to inflation accounting.
- i) Name any four types of Leases.
- j) Give the list of any four pension schemes.

SECTION – B

Note : Answer **any four** of the following questions, **each** question carries **five** marks : **(4×5=20)**

2. What is meant by Corporate Social Responsibility (CSR) ? Briefly explain the objectives of CSR.
3. What is Interim Reporting ? Briefly explain the objectives and disclosures of Interim reporting.



4. Define Environmental Audit. What are the benefits of Environmental auditing ?
5. What is meant by Human Resource Accounting (HRA) ? Briefly explain the factors influencing HRA.
6. What are financial statements ? Explain the limitations of financial statements.
7. The following figures are extracted from balance sheet of SBU Company and also from the Government publications :

Balances on 1 st April, 2017 Rs.	Particulars	Balances on 31 st March 2018 Rs.
75,000	Cash and bank balances	1,55,000
2,50,000	Trade debtors	3,00,000
2,55,000	Loan	2,00,000
2,00,000	Accounts payables	3,20,000
260	Retail price index	390

(Average for 2017-18=325)

From the above details, compute the net purchasing power gain or loss on monetary items.

SECTION – C

Note : Answer **any three** of the following questions, **each** question

carries **12** marks :

(3×12=36)

8. What is Brand Accounting ? What is the importance of valuing Intangibles ? Explain the different Valuation methodologies or approaches of valuation of intangibles.
9. Explain the different approaches of Corporate Social Responsibility as per Companies Act of 2013.
10. What is meant by Segment Reporting ? Explain the need, disclosures, bases and difficulties involved in segment reporting.



11. BCU Limited is interested in acquiring to use the capital asset, which costs Rs. 10,00,000. BCU has two options to acquire the asset, namely :
- i) To borrow the required amount @ 15% repayable in five equal installments, or
 - ii) To take the asset on lease for a period of 5 years at the end rentals of Rs. 2,00,000.

The corporate tax rate is 50% and the depreciation is allowed under WDV method @ 20%.

The asset will have a salvage value of Rs. 3,00,000 at the end of 5 years.

You are requested to advice the company about to buy through loan or through lease rentals.

The present value factors of Re. 1 @ 15% discount factor for 5 years is :

Year	1	2	3	4	5
Discount factor @ 15%	0.870	0.756	0.658	0.572	0.497

The present value annuity factor of Re. 1 @ 15% for 5 years is 3.352.

12. a) Briefly explain the various cost based approaches and value based approaches to HRA.
- b) From the following facts and figures of MACMCB Limited;
- Owned assets Rs. 250 crores
 - Profits for the year 2017-18 Rs. 50 crores
 - Industry average rate of return on owned assets for last 3 years is 15%.
- Compute the following under 'un-purchased goodwill method' :
- i) Present rate of return on owned assets.
 - ii) Un-owned assets (Human Resources Value) and the total value of assets of the company.