



IV Semester M.F.A. Examination, June 2016
(Semester Scheme)
FINANCE AND ACCOUNTING
Paper – 4.2 : International Accounting Practices

Time : 3 Hours

Max. Marks : 80

Instruction : Answer all Section.

SECTION – A

Answer **any ten** of the following in about 4-6 lines **each**. **Each** sub-question carries **two** marks : **(10×2=20)**

1. a) Give examples of Contingent Liabilities.
- b) What is currency translation ?
- c) Identify any three objectives of IFRS.
- d) Mention any three sources of accounting in Japan.
- e) What do you mean by consolidation accounting ?
- f) What is the difference between Code Law and Common Law countries in the Context of accounting ?
- g) Name the countries which are under U.S. influence of accounting.
- h) How do you value R and D expenses in Australia ?
- i) Mention any three problems of implementing IFRS.
- j) State any four methods of Stock Valuation Under IAS – 2.
- k) What do you mean by dual standards ?
- l) What is transaction risk ?

SECTION – B

Answer **any three** questions of the following in about **one** page **each**. **Each** question carries **5** marks : **(3×5=15)**

2. Explain the treatment of "goodwill" in France.
3. What are the features of financial reporting in Japan.

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4. Explain the concept of 'functional currency' and examine the translation practices in U.K.
5. Explain how differences in financing of companies could lead to differences in financial reporting.
6. Discuss with suitable examples what do you mean by Accounting policies.

SECTION - C

Answer **any two** questions of the following in about **three pages each**. Each question carries **15 marks** : **(2×15=30)**

7. Explain different methods of transfer pricing.
8. Discuss in detail German GAAP.
9. Discuss the role of International Accounting Bodies in achieving harmonisation in Financial Reporting.
10. What is the distinction between voluntary disclosure and mandatory disclosure ? Explain with examples of atleast two countries of your choice with regard to such disclosures.

SECTION - D

11. **Compulsory :**

Gold Rush

Reece Khan, Investment Executive at Peterson and Company International, was just approached by a first-year hire, Trish Ventura, regarding a new investment opportunity in Croatia, an emerging capital market.

"Mr. Khan, this is an incredible opportunity and the returns would be fantastic. I've analyzed the company annual report ten times already, ran the numbers through twice and I've even spoken to some of the executives at the company who gladly gave me the answers I needed. We've got to make this investment. The sooner, the better, so that we can maximize the company's returns before the investing public realizes what a gold mine they've been passing up. I'll bet my job on it!"



“Croatia” ? ... But Croatia is an ECM. The country probably hasn’t even developed sufficient corporate reporting policies and procedures to supply the information necessary for making investment decisions, let alone rely on them. What did your analysis reveal about the country’s accounting and auditing profession, in addition to its accounting and legal infrastructure ?”

Max. Marks : 80

“Good, okay, fair and weak ... so when do we invest ?”

1. Pretend you are Mr. Khan. How would you respond to Trish Ventura and why ?
2. What specifically did Trish forget to take into account or consider during her analysis of an ECM ?
3. If you were Investment Executive for Peterson and Company International, would you recommend investing in any emerging capital markets ?
4. Briefly summarize some of the reasons why investing in emerging capital markets is considered risky. Include the costs and benefits in your discussion.

SECTION - B

(3x5=15)

P.T.O.



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IV Semester M.F.A. Examination, June 2015
(Semester Scheme)

Finance and Accounting

Paper – 4.2 : INTERNATIONAL ACCOUNTING PRACTICES

Time : 3 Hours

Max. Marks : 80

Instruction : Answer all Sections.

SECTION – A

Answer **any ten** sub-questions. **Each** sub-question carries **2** marks. **(10x2=20)**

1. a) Define transfer pricing.
- b) How are translation gains and losses accounted ?
- c) Mention any four voluntary disclosures in the annual report of U. K. Company.
- d) Mention any two countries depending on Code Law for Accounting.
- e) Why IFRs are important ?
- f) What is Comparative Accounting ?
- g) How inventories are valued in German GAAP ?
- h) What do you mean by 'faithful' disclosure ?
- i) Distinguish between "directive" and "regulation".
- j) What is "bilan social" ?
- k) How are Global Accounting Systems classified ?
- l) Mention the qualities of a good annual report.

SECTION – B

Answer **any three** from the following. **Each** question carries **five** marks. **(3x5=15)**

2. Explain corporate financing patterns of atleast two countries known to you.
3. Write a note on "Conservatism v/s Optimism" in accounting with suitable examples.

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4. What are the bases for valuing intangibles in France.
5. Briefly explain 'cost plus method' under transfer pricing.
6. Discuss with suitable examples the influence of 'culture' on accounting system of a country.

SECTION – C

Answer **any two** from the following in about **3** pages **each**. **Each** question carries **15** marks. **(2×15=30)**

7. Discuss in detail German GAAP.
8. Explain briefly similarities and dissimilarities in financial reporting practices of Japan and India.
9. Explain the major foreign currency translation methods. Which method do you think is best ? Why ?
10. Explain different methods and issues involved in accounting for consolidation.

SECTION – D

Compulsory :

(1×15=15)

11. The U.K. and U.S.A. have a common accounting heritage and are linked by history and language. Anglo-American accounting is a sometimes used to denote their accounting styles, which are similar in orientation, purpose and approach. Yet accounting differences still exist between these two countries.

Required :

- a) Identify the major differences between U.K. and U.S. accounting.
- b) Which country is likely to be systematically more conservative in measuring tangible assets ? Why do you think so ?