

**PJ-517**

I Semester M.Com. (F.A.) Examination, February - 2020
(CBCS Scheme)

FINANCE AND ACCOUNTING**Paper - 1.1 : Accounting Conventions and Standards**

Time : 3 Hours

Max. Marks : 70

SECTION - A

1. Answer **any seven** sub-questions out of **ten**. Each question carries **two** marks. **7x2=14**
- Define Accounting Standards.
 - How do you value Inventory as per AS-2 ?
 - What do you mean by Convention of Conservatism ?
 - Expand GAAP and IFRS.
 - Define "True and Fair" view in the disclosure of financial statement.
 - Define Current Investment as given in AS-13 Accounting for Investment.
 - What are interim financial statements ?
 - State any two differences between Accounting Standards (in India) and IFRS.
 - State any two objectives of IFRS.
 - What do you mean by contingencies ?

SECTION - B

Answer **any four** questions out of **six**. Each question carries **five** marks. **4x5=20**

- What do you mean by related party transactions ? Elaborate with examples.
- Briefly explain the provisions in respect of fixed asset as per AS-10.
- Briefly explain the standards relating to accounting for transactions in foreign currency.
- What do you mean by depreciation ? Explain the procedure to be followed in case of change of depreciation method as stated in AS-6.
- What are the difficulties faced by the Accounting Standard Setters ?
- What is Earnings per share ? How do you calculate the basic and diluted earnings per share ?

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SECTION - C

3x12=36

Answer **any three** questions out of **five**. Each question carries **twelve** marks.

8. Explain the provisions of AS 2-Inventory Valuation.
9. What is Accounting Standard Board ? Explain the procedure followed by ASB of India for issuing Accounting Standards.
10. What do you mean by leasing ? Explain the accounting treatment for lease transaction in the books of lessee and lessor.
11. What do you mean by Amalgamation ? Explain the provisions of AS-14:Accounting for Amalgamation.
12. The summarized balance sheet of Jay Ltd. as on 1.1.2019 and 31.12.2019 are as follows :

Liabilities	1.1.2019	31.12.2019	Assets	1.1.2019	31.12.2019
Share Capital	1,00,000	1,00,000	Building	46,800	45,000
General Reserve	38,400	42,000	Plant & Machinery	38,280	42,030
Creditors	9,750	6,380	Goodwill	13,000	13,000
Tax Provision	19,000	21,000	Investment	10,000	11,250
Prov. For doubtful debt	1,000	1,200	Stock	30,000	28,000
			Debtor	22,070	22,300
			Cash	8,000	9,000
	1,68,150	1,70,580		1,68,150	1,70,580

After taking the following information into account, prepare a cash flow statement for the year ending 31.12.2019 :

- (i) The profit for 2019 was ₹ 8,600 against this had been charged Depreciation. ₹ 3,050 and increase in provision for doubtful debt ₹ 200.
- (ii) Income tax ₹ 18,000 was paid during the year charged against the provision and in addition ₹ 20,000 was charged against profit and carried to the provision.
- (iii) An interim dividend of ₹ 5,000 was paid in January 2019.
- (iv) Additional plant was purchased in September 2019 for ₹ 5,000.
- (v) Investments (cost ₹ 5,000) were sold in 2019 for ₹ 4,800 and on 1st March 2019 another investment was made for ₹ 6,250.