

I Semester M.Com. (FA) Examination, August/September 2021
(CBCS Scheme)

Paper – 1.1 : ACCOUNTING CONVENTIONS AND STANDARDS

Time : 3 Hours

Max. Marks : 70

Instruction : Answer all Sections.

SECTION – A

Answer any seven sub-questions. Each sub-question carries 2 marks. (7×2=14)

1. a) What are Ind AS's ?
- b) What do you mean by accrual basis of accounting ?
- c) How do you recognise expenses ?
- d) What are the objectives of consolidated financial statements as per AS-21 ?
- e) What is materiality in accounting ?
- f) What do you mean by impairment of asset ? Give example.
- g) How do you treat Defined Contribution Plan in respect of Pension benefits ?
- h) Name any two fundamental accounting assumptions as per AS-1.
- i) How do you determine the cost of self-constructed asset ?
- j) How do you recognise exchange differences under foreign currency translations ?

SECTION – B

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

2. Briefly explain the benefits and objectives of accounting standards.
3. Explain the accounting treatment of Post Balance Sheet events and contingencies.
4. Discuss the scope of Ind AS - 108 and its objectives i.e. segment reporting.
5. Outline the disclosures under 'Related Party Transactions'.



6. Explain briefly accounting treatment of R & D expenses.
7. Differentiate between Accounting Policy and notes to accounts with suitable examples.

SECTION – C

Answer **any three** questions. **Each** question carries 12 marks.

(12×3=36)

8. Explain the provisions of Ind-AS-38 regarding Intangible Assets.
 9. Discuss foreign currency translations and the respective accounting standards issued by UK, USA and India.
 10. What is fair value measurement-? Discuss different approaches available under Ind AS - 113.
 11. How do you treat the following as per Indian Accounting Standards ?
 - a) The company's plant and machinery was ₹ 300 crores as on 1-04-2018. It provides depreciation at 15% per annum under WDV method. However it noticed that about ₹ 50 crores worth imported asset, which is a component of the above plant and machinery acquired on 1-04-2018, would be obsolete in 2 years. Company wants to write off this asset over 2 years. Can company do so ? Give comments.
 - b) Ganon Co., Ltd., uses horses to transport material from one place to another place on a hilly area where construction activity is going on. It purchases horses worth ₹10,00,000 for transporting material on 1-04-2018. Useful life of horses was estimated to be 7 years, therefore company decided to write off depreciation on horses as SLM over 7 years. Comment.
 - c) ABC Ltd., has incurred expenditure on construction of a road on the land which is not owned by the company. How do you treat the expenditure incurred on the construction of road under Ind-AS ?
 12. Write short notes **any three** of the following :
 - a) Deferred taxation
 - b) Standard setting process
 - c) Valuation of inventory
 - d) Defined benefit plan.
-