



QP – 276

V Semester B.Com. Examination, March/April 2022  
(CBCS) (F+R) (2016 – 17 and Onwards)

COMMERCE

Paper – 5.2 : International Financial Reporting Standards

Time : 3 Hours

Max. Marks : 70

**Instruction :** Answers should be **completely** written either in **Kannada** or **English**.

SECTION – A

Answer **any five** of the sub-questions. **Each** sub-question carries **two** marks.

(5×2=10)

1. a) What is IFRS ?
- b) Give two examples to investment property.
- c) What is holding company or parent company ?
- d) What is the meaning of borrowing cost ?
- e) What is current asset ?
- f) What is the meaning of key management personnel ?
- g) What is earning per share ?

SECTION – B

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

(3×6=18)

2. List any six IFRS issued by IASB.
3. Mention the list of close members of the family as per Ind. AS 24.
4. Teja traders purchased a plant from R Ltd. 30-9-2015 with a quoted price of Rs. 200 lakhs. R Ltd. offered a trade discount of 1.5% and GST payable is 12% on the quoted price. Teja traders incurred 2% on transportation cost and 3% on erection cost of the quoted price. Pre-operative cost amounted to Rs. 2 lakhs, Estimated life of the plant is 8 years. Residual value of the plant Rs. 20 lakhs.
  - i) Calculate the original cost of the plant.
  - ii) Calculate depreciation for first year (SLM).

P.T.O.





5. Tarun Co. has a machine that originally cost Rs. 35,00,000 with accumulated depreciation of Rs. 5,00,000. The market value of the machine is Rs. 30,00,000, the cost of dismantling is Rs. 1,00,000, and the direct selling costs are Rs. 2,00,000. The value in use as determined by management is Rs. 27,50,000. The remaining estimated life of the machine is 5 years and estimated residual value at the end of this life is Rs. 2,50,000.
- Calculate impairment loss for the machine.
  - Calculate the depreciation charge on the machine after the impairment loss has been recognised.

6. Prepare a statement of Profit and Loss Account of Sachidanand Company Limited as on 31<sup>st</sup> March 2021 as per Ind. AS using Schedule III of the Companies Act, 2013.

Particulars	Rs.
Purchases	6,00,000
Stock of goods on 1-4-2020	80,000
Stock of goods on 31-3-2021	90,000
Sales	10,00,000
Depreciation on fixed assets	10,000
Preliminary expenses written off	8,000
Salaries to the employees	19,000
Rent of showroom	12,000
Interest on loan	10,000
Discount received from suppliers	5,000
Office expenses	2,000
Printing and stationeries	3,000
Carriage outwards	1,000
Advertisement	1,000
Income tax : 40% on profit.	

## SECTION – C

Answer **any three** questions. **Each** question carries **fourteen** marks. (3×14=42)

- What are the challenges in implementation of IFRS in India ?
  - What is interim financial report ? Briefly explain the form and contents interim financial reporting.





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8. a) Briefly explain the recognition and measurement criteria for provisions as per Ind. AS 37.
- b) What do you mean by research and development expenditure ? Explain how research and development expenditure is treated as per Ind. AS 38.
9. a) ABC entered into a lease contract on 1 January 2017 for 5 years, annual rental payments are Rs. 1,00,000 in arrears (that is, 31 December each year) and at the end of the lease term, the machine will be returned back to the lessor. The economic life of a machine is 10 years. Use the discount rate 3%. The present value of lease liability is Rs. 4,57,971. Find out the lease liability for five years.

- b) Following are the information extracted from the books of Pearson Ltd. for the year ended 31<sup>st</sup> March 2021.

Particulars	Amount (₹)
Net profit after tax	54,00,000
Exchange differences on translation of Foreign operations	5,90,000
Revaluation gain on land and building	2,03,000
Net loss on cash flow hedges	7,57,000
Net loss on Debt Securities measured at FVOCI	1,15,000
Remeasurement gain on defined benefit plan	8,08,000
Net gain on hedge of a net investment	4,67,000

Prepare a statement of other comprehensive income for the year ended 31<sup>st</sup> March 2021.

10. a) Calculate the borrowing cost in the case of Peter Ltd.
- i) Rs. 30 crores arranged by 12% p.a. Debentures payable after 10 years, Rs. 10 crores by 12 years, loan from SBI and Rs. 10 crores from Indian Bank. The SBI interest rate 14% p.a. and Indian Bank interest rate is 16% p.a.
  - ii) Debentures repayable at 10% premium.
  - iii) The cost of issue of debentures is Rs. 22 lakhs.
  - iv) The service charges for SBI loan 8%.





- b) From the following Trial Balance of MN Co. Ltd., as at 31-3-2021, prepare Statement of financial position as per Ind. AS using format given in Schedule III Companies Act of 2013.

Debit	Rs.	Credit	Rs.
Plant, Property, Equipment	8,00,000	Share Capital	5,00,000
Intangible assets	3,00,000	Capital redemption reserve	50,000
Current investments	1,00,000	Non-current liabilities	8,00,000
Other non-current assets	2,00,000	Profit and Loss Account	40,000
Inventories	90,000	Current liabilities	6,00,000
Cash and cash equivalents	4,00,000		
Trade receivables	1,00,000		
<b>Total</b>	<b>19,90,000</b>		<b>19,90,000</b>

11. a) H Ltd. acquired 60% of the shares of S Ltd. on 01-7-2020. The following information available as on 31-3-2021 in respect of S Ltd.

- Share capital 1,00,000 shares of Rs. 10 each.
  - General Reserve (on 1-4-2020) Rs. 80,000
  - Profit and Loss A/c (on 1-4-2020) Rs. 60,000
  - Profit during the year 31-03-2021 Rs. 1,00,000.
- Calculate the non-controlling interest.

- b) The statement of financial position of K Ltd. and M Ltd. as on 31-03-2021.

Liabilities	K Ltd. (Rs.)	M Ltd. (Rs.)
Share Capital : Shares of 100 each	4,00,000	1,00,000
Reserves as on 1-4-2020	1,00,000	40,000
Profit and Loss A/c as on 1-4-2020	60,000	15,000
Profit for the year	2,40,000	2,00,000
Accounts payable	40,000	20,000
<b>Total</b>	<b>8,40,000</b>	<b>3,75,000</b>
<b>Assets :</b>		
Sundry Assets	3,90,000	1,40,000
Investment : Shares in M Ltd. 800 shares	1,60,000	-
Accounts Receivable	2,40,000	1,60,000
Other current assets	50,000	75,000
<b>Total</b>	<b>8,40,000</b>	<b>3,75,000</b>

- K Ltd. acquired shares in M Ltd. on 1-04-2020. Calculate goodwill or capital reserve.