

**III Semester M.Com. Degree Examination, May/June 2023**

**(CBCS)**

**(2021-22 Onwards)**

**COMMERCE**

**AT – 3.3 : Corporate Reporting Practices – I**

Time : 3 Hours

Max. Marks : 70

**SECTION – A**

Answer **any seven** questions out of ten. **Each** question carries **two** marks : **(7×2=14)**

1. a) What do you mean by conceptual framework ?
- b) Differentiate between adoption and convergence.
- c) What are prior period errors as per Ind AS 8 ?
- d) What are government grants as per Ind AS 20 ?
- e) How do you measure inventory as per Ind AS 2 ?
- f) What do you mean by lease as per Ind AS 116 ?
- g) What is meant by obligating event as per Ind AS 37 ?
- h) What do you mean by performance obligation as per Ind AS 115 ?
- i) State any two features of a contract under Ind AS 115.
- j) Differentiate between legal obligation and constructive obligation.

**SECTION – B**

Answer **any four** questions out of six. **Each** question carries **five** marks : **(4×5=20)**

2. Explain the objectives to prepare Financial Statements.
3. Varsha Gayakwad Ltd, purchased goods at the cost of Rs. 40 Lakhs in October. Till the end of the financial year, 75% of the stocks were sold. The company wants to disclose closing stock at Rs. 10 Lakhs. The expected sale value is Rs. 11 Lakhs and a commission at 10% on sale is payable to the agent. What is the correct value of closing stock ?



4. Explain the accounting treatment for changes in accounting policies and changes in accounting estimates.
5. Shaan Ltd. purchased machinery for Rs. 300 lakhs. Depreciation was charged at 10% on SLM basis, for a useful life of 10 years. At the end of 4<sup>th</sup> year, the company revalued the Machinery to Rs. 270 lakhs and the same was adopted. What will be the carrying amount of the asset at the end of year 5 and year 6 ? Assume no change in the useful life.
6. Differentiate between adjusting events and non-adjusting events as per Ind AS 10.
7. X Ltd. gave an asset on a finance Lease to Y Ltd. Y Ltd has to pay Rs. 10,000 per annum for 5 years. Unguaranteed Residual value accruing to X Ltd is Rs. 5,000. Interest rate implicit in the lease is 15%. Calculate Gross investment, Net investment and Unearned Finance Income.

### SECTION – C

Answer **any two** questions out of four. **Each** question carries **twelve** marks :

**(2×12=24)**

8. Briefly explain the roadmap for implementation of the Indian Accounting Standards.
9. a) Briefly explain the recognition principles of borrowing cost as per Ind AS 23.  
b) Sadanand Ltd. had obtained institutional Term Loan of Rs. 580 lakhs for modernization and renovation of its plant and machinery. P and M acquired under the modernization scheme and installation completed on 31<sup>st</sup> March amounted to Rs. 406 lakhs, Rs. 59 lakhs has been advanced to suppliers for additional assets and the balance loan of Rs. 116 lakhs has been utilized for working capital purpose. The accountant is in a dilemma as to how to account for the total interest of Rs. 52.20 lakhs incurred during the year. On the entire institutional term loan of Rs. 580 lakhs. Give your reviews.
10. Briefly explain the recognition and measurement principles of provisions. Contingent assets and contingent liabilities as per Ind AS 37.



11. a) Explain the procedure for measuring of recoverable amount for the asset or CGU as per Ind AS 36.
- b) Carrying amount of a machine is Rs. 1,00,000 (historical cost less depreciation). The machine is expected to generate Rs. 25,000 net cashflow for 5 years. The Fair value less costs of disposal of the machine on current date is Rs. 85,000. The Entity's required rate of earning is 10% p.a. State the value at which the entity should carry its machine. The present value factors at 10% are 0.909, 0.826, 0.751, 0.683, 0.621. at the end of the first, second, third, fourth and fifth year respectively.

SECTION – D

**Compulsory skill based question on subject :**

**(1×12=12)**

12. What do you mean by revenue as per Ind AS 115 ? Briefly explain the application of principle-based model for recognising revenue from contract with customers.
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