2023/08

SET A

MASTER OF COMMERCE
FIRST SEMESTER [SPECIAL REPEAT]
FINANCIAL REPORTING
MCM – 103
[USE OMR SHEET FOR OBJECTIVE PART]

Duration: 3 hrs. Full Marks: 70

Objective

Time: 30 mins. Marks: 20

Choose the correct answer from the following: *1×20=20*

1. The National Financial Reporting Authority (NFRA) to provide for matters relating to ……………………..
   a. Accounting standards
   b. Accounting and auditing standards
   c. Auditing standards
   d. Accounting and auditing standards and Environment Protection standards.

2. IFRS Convergence means:
   a. Adoption of Accounting Standard as per IASB
   b. Formulating Accounting Standard more or less in line with IFRS
   c. Presentation of Financial Reports as per IFRS
   d. Formulating Accounting Principles as per IFRS

3. Which one of the following is a fundamental accounting assumption?
   a. Going Concern Concept
   b. Money Measurement Concept
   c. Accrual Concept
   d. All of the above

4. Who are not external users of accounting information?
   a. Creditors
   b. Debenture holders
   c. Management
   d. Public

5. Which section of the Companies Act, 2013 requires that Balance Sheet is to be prepared in a prescribed form?
   a. Section 128
   b. Section 130
   c. Section 129
   d. Section 131

6. As per CCA method, assets are shown at the …………..
   a. actual cost
   b. historical cost
   c. current cost
   d. replacement cost

7. Which method of Human Resource Accounting states that only scarce people should comprise the value of human resources?
   a. Replacement Cost Method
   b. Historical Cost Method
   c. Opportunity Cost Method
   d. Economic Value Method

8. Discounted cash flow valuation is based upon:
   a. Expected future discount that is likely to be earned.
   b. Real worth of the business
   c. Expected future cash flows and discount rates.
   d. Earning capacity of the company

9. The net asset value method for the valuation of shares is based on the assumption that ________.
   a. The company is a going concern
   b. The company is going to be liquidated
   c. Both a and b are incorrect
   d. Both a and b are correct

10. What is the primary purpose for the valuation of shares?
   a. To advance a loan against the security of shares
   b. For purchase of shares by employees where they can retain these shares till the period of their employment
   c. To purchase a block of shares to acquire control in the company
   d. All of the above

11. XBRL stands for:
   a. Extensible Business Reporting language
   b. Extended Boards Reporting language
   c. Extended Business Reporting language
   d. Estimated Business Reporting language

12. The duties and powers of the Comptroller and Auditor General of India is vested in Article ....of the Constitution of India.
   a. 248 to 251
   b. 148 to 151
   c. 140 to 151
   d. 160 to 171

13. In which article of Indian Constitution, the post of the Comptroller and Auditor General of India has been envisaged?
   a. Article 76
   b. Article 153
   c. Article 148
   d. Article 127

14. Public account is in no way related to the capital division of the ....
   a. Contingency fund
   b. Consolidated fund
   c. Public Account
   d. None of these

15. "The accounts of the Union and of the States shall be kept in such form as the President may, on the advice of the Comptroller and Auditor General of India, prescribe." This statement relates to which of the following article of the Constitution?
   a. Article 150
   b. Article 140
   c. Article 149
   d. Article 144

16. Which one of the following is not true related the effect of inflation on financial statements?
   a. P & L A/c will show more profit than actual as depreciation is inadequate and closing stock is valued at higher amount.
   b. More amount of income tax and dividend. So acute shortage of working capital.
   c. Balance Sheet won't show True & Fair view´.
   d. Depreciation is adequate so when required to replace the asset.

17. Accounting Standards Board was set up in India in the year.........
   a. 1972
   b. 1973
   c. 1985
   d. 1977

18. The Historical Cost Approach of Human Resource Accounting is given by
   a. Brummet, Flamholtz and Pyle
   b. Giles and Robinson
   c. Hekimian and Jones
   d. Roger H. Hermanson

19. When the cost incurred on recruiting, training and developing the employees is considered for determining the value of employees, it is called:
   a. the replacement cost approach
   b. the historical cost approach
   c. the opportunity cost approach
   d. none of the above

20. A Company has a spare part, which it terms as 'insurance spare', is required to be used along with equipment and meets the definition of property, plant and equipment.
   a. The spare part is required to be recognised as part of that equipment and the depreciation is required to be calculated along with the equipment for which it has been used.
   b. The spare part is required to be recognised as property, plant and equipment separately from the equipment and the depreciation is required to be calculated separately for that spare part
   c. The spare part should be written off in Profit and Loss Account
   d. None of the above

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Descriptive

Time : 2 Hr. 30 Mins. Marks : 50

[Answer question no.1 & any four (4) from the rest]

1. Discuss the provisions of the Companies Act, 2013 for the preparation of financial statements. 10

2. a) Write any five important features of IFRS. 5+5=10
   b) Explain five reasons of national differences in Financial Reporting practices.

3. Discuss the contents prescribed under the Companies Act in the report of the Board of Directors. 10

4. Write short notes on any two- 5+5=10
   a) CSR Reporting
   b) Consolidated Financial Statement
   c) Environmental Accounting
   d) Qualitative characteristics of Financial Information

5. a) Elaborate the need and advantages of Human Resource Accounting. 5+5=10
   b) Briefly discuss the Historical Cost Approach of Human Resource Accounting.

6. Explain the principles that govern Government Accounting and mention three basic differences between Government Accounting and Commercial Accounting. 7+3=10

7. a) From the following information, calculate the value per equity share: 5+5=10
   2,000, 9% Preference Shares of Rs.100 each Rs. 2,00,000
   50,000, Equity Shares of Rs.10 each, Rs.8 per share paid up: Rs.4,00,000
   Expected profits per year before tax: Rs.2,18,000
   Rate of tax: 50%
   Transfer to General Reserve every year: 20% of the profits
   Normal rate of earning: 15%
   b) From the following information, calculate value of goodwill taking 5 years' purchase of super profit.