

M. Com
FIRST SEMESTER
FINANCIAL ACCOUNTING AND REPORTING
MCM - 103

Duration: 3 Hrs.

Marks: 70

Part : A (Objective) = 20

Part : B (Descriptive) = 50

[PART-B : Descriptive]

Duration: 2 Hrs. 40 Mins.

Marks: 50

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

1. Explain the relevant provisions of the Companies Act, 2013 with regard to the maintenance of accounts and preparation of Statement of Profit & Loss and Balance Sheet. 10
2. Write a comprehensive note on Ind AS-2 with example. 8+2=10
3. Explain the meaning and use of XBRL. 3+7=10
4. Show the major differences between Ind ASs and IFRSs. 10
5. Discuss the importance of accounting as an information system for decision making purposes. Examine the use of such information by investors and creditors. 6+4=10
6. What is Human Resource Accounting? Enumerate its objectives. Also discuss about any two methods of Human Resource Accounting. 2+2+6
= 10
7. Write short note on any four: 2.5×4=
10
 - a. Income smoothing
 - b. Formulation of Accounting theory under inductive method
 - c. Qualitative characteristics of financial information
 - d. International Accounting Standards Board
 - e. Earnings management
 - f. Social Accounting

8. From the following Balance Sheets of Fahim Ltd. as at 31st March, 2016 and 2017, prepare Cash Flow Statement as per Ind AS-7.

Balance Sheet as at 31st March

Particulars	2016 (Rs.)	2017 (Rs.)
g. EQUITY AND LIABILITY		
3) Shareholders' Funds		
Share Capital:		
Equity Share Capital	4,00,000	7,50,000
8% Preference Share Capital	60,000	1,00,000
Reserve & Surplus:		
Surplus as per Statement of Profit & Loss	1,70,000	1,20,000
General Reserve	80,000	60,000
4) Non Current Liabilities: 10% Debentures	2,00,000	1,80,000
Total	9,10,000	12,10,000
h. ASSETS		
3) Non Current Assets		
Fixed Assets	5,00,000	7,00,000
4) Current Assets		
Stock	2,10,000	2,50,000
Trade Receivables: Debtors	1,40,000	1,90,000
Cash & Cash Equivalents	60,000	70,000
Total	9,10,000	12,10,000

Additional Information:

During the year machine costing Rs.70,000 was sold for Rs.40,000.
Dividend paid Rs.60,000.

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[PART-A : Objective]

Choose the correct answer from the following :

1×20=20

1. Fair Value Accounting has adopted to:
 - a. Remove the deficiency of historical cost accounting
 - b. Ensure regular settlement of non-current liabilities.
 - c. Facilitated matching of current assets with current liabilities.
 - d. Chalk out asset acquisition planning.
2. "Anticipated expenses and losses should be accounted while anticipated income and profit should be ignored" is the principle of -----.(Fill in the blank with suitable option)
 - a. Matching principle
 - b. Materiality
 - c. Conservatism
 - d. Timeliness
3. Accounting Standards Board was set up in India in the year..... (Fill in the blank with suitable option)
 - a. 1973
 - b. 1972
 - c. 1981
 - d. 1977
4. Financial information should be "neutral and bias free" is the dictation of which one of the following?
 - a. Completeness concept
 - b. Faithful representation Concept
 - c. Objectivity Concept
 - d. Duality Concept
5. Which one is the example of cash flows from investing activities:
 - a. Issue of equity shares consideration other than cash
 - b. Issue of 10% Debenture
 - c. Sale of old furniture
 - d. Dividend paid
6. Which one of the following is the issuing authority of Ind AS?
 - a. RBI
 - b. MCA
 - c. ICAI
 - d. IASB
7. In Cash Flow Statement, bank overdraft comes under (as per Ind AS-7):
 - a. Current liabilities
 - b. Cash flow from financing activities
 - c. Cash flow from operating activities
 - d. Cash and cash equivalents
8. Which of the following is true relating to EVA?
 - a. $EVA = EBIT - Interest$
 - b. $EVA = EBIT - Interest - Cost of Equity Capital$
 - c. $EVA = EBIT + Interest + Cost of Equity Capital$
 - d. $EVA = EBIT + Interest - Cost of Equity Capital$
9. Which of the following costs are not included while computing the cost of purchase of inventory as per Ind AS-2?
 - a. Purchase price
 - b. Recoverable taxes
 - c. Import duties
 - d. Shipping costs
10. Which of the following costs are not included while computing initial cost of property, plant and equipment as per Ind AS-16?
 - a. Cost of site preparation
 - b. Installation costs
 - c. Discount and rebates
 - d. The fair value of the consideration given to acquire the asset
11. Which one of the following items is not presented in the statement of changes in equity?
 - a. Profit or loss
 - b. Other comprehensive income
 - c. Transactions with owners in their capacity as owners
 - d. Market price of equity
12. Which of the following could most closely be associated with the objective of financial reporting?
 - a. Have a bias towards understating assets and income and overstating liabilities and expenses.
 - b. Transparency and neutrality
 - c. Financial stability through conservatism/prudence
 - d. Management discretion in reporting financial information
13. Directors' responsibility statement is a statement which contains written assurances from the board of directors that.....
 - a. All company policies are followed
 - b. The company has filed the annual report with the Registrar
 - c. The directors remuneration is received on regular basis
 - d. Inventory and property, plant and equipment valuation policy only.

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[PART (A) : OBJECTIVE]

Duration : 20 Minutes

Serial no. of the
main Answer sheet

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14. Mandatory disclosures does not include
 - a. Auditor's report
 - b. Corporate governance
 - c. Social report
 - d. Notes to accounts

15. Which one of the following not the causes of differences in International Accounting Practices?
 - a. Taxation system
 - b. National culture
 - c. IFRSs
 - d. Legal system

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

17. Under the fair value measurement approach, are re-measured periodically to reflect changes in their value. (Fill in the blank with suitable option)
 - a. Assets and liabilities
 - b. Financial assets and financial liabilities
 - c. Non-current assets and liabilities
 - d. Property, plant and equipment

18. Which one of the following pertains to human resource accounting?
 - a. Flamholtz Model only
 - b. Levschwartz Model only
 - c. Present Value of Future Earnings Method only
 - d. All of the above

19. Prior period errors are corrected and adjusted by which one of the following:
 - a. Retrospectively by restating the comparable amounts for prior period.
 - b. Presented by restating the opening statement of the financial position.
 - c. In a financial statement of any subsequent years when there is a gain.
 - d. Both a and b.

20. Property, plant and equipment have which one of the following features?
 - a. Property under construction or development for future use as investment property will be treated as investment as per Ind AS-40.
 - b. Biological assets are charged to profit and loss statement.
 - c. Replacement cost of an item of property plant and equipment is generally expensed when incurred.
 - d. Both a and c.

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Course :

Semester : Roll No :

Enrollment No : Course code :

Course Title :

Session : 2017-18 Date :

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Instructions / Guidelines

- The paper contains twenty (20) / ten (10) questions.
- Students shall tick (✓) the correct answer.
- No marks shall be given for overwrite / erasing.
- Students have to submit the Objective Part (Part-A) to the invigilator just after completion of the allotted time from the starting of examination.

Full Marks	Marks Obtained
20	

Scrutinizer's Signature

Examiner's Signature

Invigilator's Signature