

Name:.....RegNo.....

**BCOM DEGREE END SEMESTER EXAMINATION MARCH
2016**

(2015 Admission)

SEMESTER - 2: (CORE COURSE)

COURSE: 15U2CRCOM5 - INTERNATIONAL FINANCIAL REPORTING
STANDARDS

Time: Three Hours

Max. Marks: 75

Section A

Answer **all** questions. Each question carries two marks.

1. What is meant by IFRS?
2. What is a Current Asset?
3. Which accounting standard specifies recognition of 'PPE'?
4. What is a liability?
5. What do you mean by Impairment?
6. Name any two IFRSs from among the first five
7. What do you mean by 'Ind AS'?
8. What are 'IAS'?
9. What is the corresponding 'Ind AS' for IFRS?

10. What is the basic difference between existing AS and IFRS?
(2 × 10 = 20)

Section B

Answer **any five** questions. Each question carries five marks.

11. What is an Asset?
12. What are the general purposes of Financial Statements?
13. The book value of a piece of land was Rs. 15,000. Last year the company had revalued the asset to Rs. 13,000 and debited the loss as an expense to Profit and Loss. Now the land is Worth Rs. 20,000. How will you account for revaluation in the current year?
14. What are the advantages and disadvantages to IFRS?
15. 'X' Company works on animation for computer games. It has developed a new Technique for making computer images look completely human. The company believes that this product could be sold to film animation companies too. Comment on it.
16. The following information is collected from the records of a construction company as on 31.03.2014.

Contract Price Rs. 2,00,000 : Cost Incurred to date Rs.
90,000
Estimated Cost to Complete Rs. 60,000 : Profit earned to date Rs.
30,000
Invoiced to Customer Rs. 80,000 : Payment Received from
Customer Rs. 65000

What amount should appear on the company's 'SOFP' as on 31.03.2014 in respect of gross amounts due from customer?

17. Define Intangible Asset. List any three typical examples

(5 × 5 = 25)

Section C

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

18. The price paid for a machine is Rs. 110,000. (Rs.100, 000 plus VAT of Rs. 10,000). The entity gets a credit of Rs. 10,000 while calculating the tax payable on the finished goods sold. Additional costs are freight Rs. 2,000, import duty Rs. 5,000, installation expenses Rs. 1,000. The initial estimate of dismantling and removing other items in the location is Rs. 3,000. After the machine was put to use, Rs.1, 500 was spent for maintenance. Calculate the initial cost of the asset to be recognized in 'FS' and justify your reasons per IFRS 13.
19. On 01.01.2015 a company bought a machine under a finance lease. The cash price of the machine was Rs. 7,710 while the amount to be paid was Rs.10, 000. The agreement required an immediate payment of Rs. 2,000 deposit with the balance being settled in four equal annual installments commencing from 31.12.2015. The charge of Rs. 2,290 represents interest of 15% per annum (the effective interest rate), calculated on the remaining balance of the liability during each accounting period. Depreciation on the plant is to be provided for at the rate of 20% per annum on a straight line basis assuming nil residual value. Interest is calculated as 15% of the outstanding capital balance at the beginning of each year. The outstanding capital balance reduces each year by the capital element comprised in each installment. Show how lease rentals are appropriated amongst interest and capital over the life of the lease and also show how this will be shown in the Statement of Financial Positions.

20. Draw up a Statement of Financial Position with arbitrary figures
21. What do you mean by conceptual framework? Discuss its Scope, Advantages and Disadvantages
22. Explain the steps involved in the process of first time adoption of IFRS
(10 x 3 = 30)
