

B. COM. DEGREE END SEMESTER EXAMINATION – JULY 2021**SEMESTER – 2: COMMERCE (COMPLEMENTARY COURSE)****COURSE: 15U2PCOM1: INTERNATIONAL FINANCIAL REPORTING STANDARDS***(Common for supplementary 2018/2017/2016/2015/2014 admissions)*

Time: Three Hours

Max. Marks: 75

SECTION A***Answer all questions. Each question carries 2 marks.***

1. What is IFRS convergence?
2. Name the financial elements of an income statement.
3. How do you measure inventory?
4. What do you mean by reversal of impairment loss?
5. How is an intangible asset with finite useful life amortised as per IAS 38?
6. When should an entity cease capitalising the borrowing cost of a qualifying asset?
7. What is a finance lease?
8. Which are the two models of treatment specified for the subsequent measurement of an item of PPE?
9. What is a non-current liability?
10. Classify the following into a) operating activity, b) investing activity, c) financing activity and d) cash equivalent:
 - i. Purchase of machinery
 - ii. Trading commission received
 - iii. Marketable securities
 - iv. Issue of equity shares

(2 x 10 = 20)

SECTION B***Answer any five questions. Each question carries 5 marks.***

11. Explain the qualitative characteristics of financial statements.
12. Explain the role and functions of IFRIC.
13. What are the elements of a conceptual framework?
14. Differentiate between the accounting treatment of government grants through income approach and capital approach.
15. Describe the five step model for recognition and measurement of revenue from contract with customers.
16. How would you account for finance lease in the books of lessee?
17. A Ltd owns a land having a carrying amount of Rs. 20,00,000. Three years back a hike in land value increased the value of the land from Rs. 18,00,000 to Rs. 20,00,000. In the current year there has been a slump in the value of land which is now worth Rs. 14,00,000. Give the accounting entry.

(5 x 5 =25)

SECTION C

Answer any three questions. Each question carries 10 marks.

18. How will you value the inventory per kg. of finished goods which consisted of
- | | |
|--------------------------------------|---------------|
| Material cost | Rs.100 per kg |
| Direct labour cost | Rs. 20 per kg |
| Direct variable production overheads | Rs.10 per kg |
- Fixed production charges for the year on normal capacity of 1,00,000 kgs is Rs. 10,00,000. At the end, 2000 kgs of finished goods are in stock.
19. The total borrowings used by an entity for construction of an office building are Rs.30,00,000. The entity issued 8% debentures worth Rs. 10,00,000 for this purpose and balance amount was utilized from its common pool including 10% bank loan of Rs.10,00,000 and 9.5% bank loan of Rs.10,00,000. What is the amount of borrowing cost to be capitalized?
20. From the following prepare Statement of Comprehensive Income for the year ended 31.12.2018 using single statement method:

Rs.	
Revenue from operations	82,50,000
Administrative expenses	32,90,000
Cost of sales	22,00,000
Finance cost	1,20,000
Distribution cost	3,60,000
Change in the fair value of hedging instruments	(40,000)
Exchange differences- profit	1,20,000
Loss on hedging	10,000

Assume income tax @ 25%.

21. What are the benefits and limitations of cash flow statement?
22. Explain the role and objectives of IASB. (10 x 3 = 30)
