

B.Com DEGREE END SEMESTER EXAMINATION MARCH 2017**SEMESTER – 2: COMMERCE (CORE COURSE)****COURSE: 15U2RCOM5: INTERNATIONAL FINANCIAL REPORTING STANDARDS***(Common for Regular 2016 admission and Supplementary 2015 admission)*

Time: Three Hours

Max. Mark: 75

PART AAnswer **all** questions. Each question carries two marks.

1. What is meant by IFRS?
2. What is a Current Liability?
3. What do you know about IASB?
4. What is an asset?
5. What do you mean by impairment?
6. Define 'Equity'
7. What do you mean by 'measurement'?
8. What do you know about 'Ind AS'?
9. What is the basic difference between existing AS and IFRS?
10. Which are the major elements of financial statements? (2 x 10 = 20)

PART BAnswer **any five** questions. Each question carries five marks.

11. What do you mean by 'Inventories' as per IAS2?
12. What are the objectives of Financial Reporting?
13. The book value of a piece of land was Rs.20,000. Last year the company had revalued the assets to Rs.16,000 and debited the loss as an expense to Profit and Loss. Now the land is worth Rs.22,000. How will you account for revaluation in the current year.
14. 'A' Company produced a piece of antivirus software and declared it as 'open' software. Anybody can download it for free from the internet and anyone can make changes to it. Can it be considered as an 'IA'?
15. 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
Invoice to Customer Rs.80,000	: Payment received from customer Rs.65,000

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

16. From the following information calculate unit cost of inventory:
- | | |
|-------------------------------|-------------------------------------|
| Raw material cost Rs.1.5 | Import duties Rs.0.40 |
| Direct Labour Rs.0.50 | Sub contracted labour costs Rs.0.80 |
| Refundable sales Tax Rs.0.20 | Warehousing cost Rs.0.05 |
| Production over heads Rs.0.25 | |
17. What are the criteria for recognition of Intangible Asset? (5 x 5 = 25)

PART C

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

18. IFRS has been developed through an international due process. Comment.
19. What do you mean by conceptual framework? Discuss its Scope, Advantages and Disadvantages.
20. Draw up a Statement of Profit or Loss using arbitrary figures.
21. 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.
22. The price paid for 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. (10 x 3 = 30)
