

**B. COM DEGREE END SEMESTER EXAMINATION MARCH / APRIL 2018****SEMESTER – 2: COMMERCE (CORE COURSE)****COURSE: 15U2CRCOM5 – INTERNATIONAL FINANCIAL REPORTING STANDARDS***(Common for Regular 2017 / Supplementary - Improvement 2016 / 2015 Admission)*

Time: Three Hours

Max. Marks: 75

**SECTION – A***Answer **all** questions. Each question carries **two** marks.*

1. Define 'Fixed Price Contracts'
2. What is meant by Impairment loss?
3. Define Intangible Asset
4. What is a finance lease?
5. Explain 'Cash equivalents'
6. Expand 'IASB'
7. Define 'Conceptual framework'
8. Define 'Liability'
9. Name any two qualitative characteristics under IFRS
10. What do you mean by Net Realisable Value of inventories?

(2 × 10 = 20 Marks)

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

11. What are benefits of global harmonization?
12. What are excluded from the scope of 'Ind AS 2'/IAS2
13. State the relevant 'Ind AS' and method of valuation of a) Investment Property, b) Property under construction, c) Trading Property, d) Property held under finance lease and e) Owner occupied property.
14. What are the components/elements of a full set of Financial Statements as per IFRS/'Ind AS'?
15. The notes to the financial statements of H Ltd show the following in respect of obligations under finance lease.

<b>Particulars</b>	<b>As on 30.06.2016</b>	<b>As on 30.06.2015</b>
Amounts payable within one year	12	8
Amounts payable within two to five years	110	66
	<b>122</b>	<b>74</b>
Less Finance charges allocated to future periods	14	8
<b>Balance</b>	<b>108</b>	<b>66</b>

Additions to tangible noncurrent assets acquired under finance leases were shown in the non-current asset note at Rs. 56. Calculate the capital repayment to be shown in the statement of cash flows of the company for the year ended 30.06.2016.

16. On 01.01.2016 a company has borrowed Rs. 15,00,000/- at 9% interest to finance the purchase/building of two assets, both of which were expected to take a year to build. The process of purchase/building of the asset started during 2016. The loan facility was drawn down on 01.01.2016 and was utilized as follows. The company has temporarily invested idle/surplus funds in the loan account at 7%.

Sl.	Particulars/Dates	Asset - I	Asset - II
1.	01.01.2016	2,50,000	5,00,000
2.	01.07.2016	2,50,000	5,00,000
	<b>Total</b>	<b>5,00,000</b>	<b>10,00,000</b>

Ignore compound interest. Calculate the amount of borrowing cost to be capitalized for each of the asset. Also calculate the total cost of each asset as on 31.12.2016.

17. On 01.01.2015, A Co. purchased a non-current asset for cash of Rs. 1, 00,000/-. The company received a grant of Rs. 20,000/- towards the cost of the asset. X Co.'s accounting policy is to treat the grant as deferred income. The asset has a useful life of five years. What will be the accounting entries to record the asset and the grant in the year ended on 31.12.2015.

(5 × 5 = 25 Marks)

### SECTION – C

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

18. Briefly explain the requirements and procedures for first time adoption of IFRS/Ind AS in India.
19. Define Property, Plant and Equipment. Explain the provision relating to the initial measurement and cost components of the asset. Also explain the disclosure requirements of the asset.
20. Briefly explain the global and Indian scenario towards IFRS. Also explain the Qualitative Characteristics of Financial Statements.
21. Apsara Ltd. entered into an agreement with the Govt. for the construction of a dam and hydel project across river Revathy, contract period being 3 years. The consideration was agreed at Rs. 200 crores and the initial cost estimate of the company was Rs. 190 crores. The company incurred Rs. 65 crores, Rs. 90 crores and Rs. 55 crores respectively in the three years. The costs incurred in year 2 include Rs. 15 crores towards additional work for which the government agreed for a price increase of Rs. 18 crores. Also, the company is entitled to receive a 0.05% incentive on the original price agreed, for completion of project within 3 years. The incentive was also promptly received by the company. Determine the contract revenue, costs and profits to be recognized in each of the 3 years in the above situation.
22. X Co. entered into a sale and finance lease on 01.04.2016. It sold a lathe with a carrying amount of Rs. 3,00,000/- for Rs. 4,00,000/- and leased it back over a five year period, equivalent to its remaining useful life. The finance lease provided for five annual payments in arrears of Rs. 90,000/-. The rate of interest implicit in the lease is 5%. What are the amounts to be recognized in the financial statement at 1.03.2017 in respect of this transaction? (10 × 3 = 30 Marks)

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