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2710E500

Candidate's Seat No : _____

M.Com. (HPP) Sem-4 (A.A.A.) Examination
CC-20

International Accounting
October 2021

Time : 2-00 Hours]

[Max. Marks : 50

Instructions: All Questions in Section I carry equal marks
Attempt any TWO questions in Section I

Section I

Q.1

- a) Distinguish between International Accounting and Domestic Accounting. (10)
b) Explain characteristics of International Accounting. (10)

Q.2

- a) Explain the scope of IFRS. (10)
b) Discuss challenges to convergence. (10)

Q.3

Excel Ltd. has its branch in Australia. Following are trial balances of Head Office and Branch as at 31/3/2021

Balances	Head Office (IND ₹)	Branch (AUS \$)
Debit Balances:		
Branch Account	1,68,750	-
Cash Remitted to H.O.	-	1,500
Fixed Assets	2,00,000	-
Debtors	40,000	1,000
Opening Stock	15,000	250
Goods Received from H.O.	-	3,000
Purchases	1,75,000	6,000
Wages	15,000	750
Salary	12,500	750
Cash	7,500	500
	6,33,750	13,750
Credit Balances:		
Head Office Account	-	3,750
Cash Received from Branch	69,000	-
Sales	2,75,000	9,500
Share Capital	1,32,250	-

P.T.O 1

ESQ - 2

Creditors	18,000	500
Goods Sent to Branch	1,39,500	-
	6,33,750	13,750

Additional Information

- 1) Closing Stock: Head Office IND ₹ 75,000
Branch AUS \$ 500
- 2) Rate of Depreciation 10%
- 3) Exchange Rates:
Opening 1 AUS \$ = IND ₹ 45.0
Average 1 AUS \$ = IND ₹ 45.5
Closing 1 AUS \$ = IND ₹ 46.0

Prepare:

- i. Translated Trial Balance of Branch
- ii. Final accounts of Head Office incorporating accounts of Branch

(20)

Q.4

- a) From the following information of Sarla Ltd., Calculate the Gearing Adjustment required under Current Cost Accounting(CCA) Method as on 31/3/2020

Particulars	as on 31/3/2019 (₹)	as on 31/3/2020 (₹)
Bank Loan	6,20,000	5,20,000
15% Debentures	5,00,000	4,00,000
Provision for Taxation	80,000	1,00,000
Cash and Bank	1,00,000	80,000
Share Capital	20,00,000	20,00,000
Reserves and Surplus	10,00,000	12,00,000

Current Cost Adjustments:	(₹)
Cost of Sales Adjustment	2,40,000
Depreciation Adjustments	2,00,000
Monetary Working Capital Adjustments	1,60,000

(10)

- b) What is Business Consolidation? Brief on various techniques used for consolidation.

(10)

Section II

Choose the correct option.(Attempt any five)

(10)

1. For which of the following form International Accounting is helpful to the multinational companies?

- (a) Exchange Rate Differences (b) Transfer Price
(c) Consolidated Accounts (d) All of the above
2. In which year Financial Accounting Board was established?
(a) 1971 (b) 1972
(c) 1973 (d) 1974
3. Which of the following is correct for International Accounting?
(a) Principles and Conventions are same across the world
(b) Statutory bodies are same
(c) Professional bodies are same
(d) All of these
4. IFRS was developed by ?
(a) IASB (b) SAIB
(c) ICAI (d) CICA
5. Accounting Standards are issued by _____ in India.
(a) SEBI (b) ICAI
(c) RBI (d) ICSI
6. Under _____ approach, the change in exchange rate is recorded as a separate transaction.
(a) Dual Transaction (b) Single Transaction
(c) Deferral Transaction (d) All of these
7. IFRS – 1 is related to _____
(a) First time adoption of IFRS (b) Share based payments
(c) Operating segments (d) Business combinations
8. If a company holds more than 50% shares in other company, it is a case of which of the following?
(a) Parent & Joint Venture (b) Holding & Subsidiary
(c) Parent & Associate (d) None of the above
9. Under CPP Method, which of the following is NOT part of monetary items:
(a) Debtors (b) Stock
(c) Creditors (d) Bank Loan
10. Amount sent by foreign branch to head office is translated at:
(a) Opening Exchange Rate (b) Closing Exchange Rate
(c) Average Exchange Rate (d) Actual Amount