

Seat No. : _____

SE-118

September-2020

M.Com., Sem.-IV (HPP)

CC-20 : International Accounting (Accountancy)

Time : 2 Hours]

[Max. Marks : 50

- Instructions :** (1) All Questions in Section-I carry equal marks.
(2) Attempt any **two** questions in Section-I.
(3) Question **5** in Section-II is compulsory.

SECTION – I

1. Define International accounting and discuss its characteristic. **20**
2. (A) Discuss the benefits of IFRS. **10**
(B) Discuss the scope of IFRS. **10**
3. Bharat Crafts Ltd. has an independent branch in USA. H.O. gets following details of branch as on 31/3/2019. **20**

Particulars	H.O. (₹)	Branch (\$)
Debit Balances:		
Fixed Assets (Cost Price)	18,00,000	36,000
Debtors	40,000	1,000
Cash/Bank	30,400	440
Operating Cost	4,14,800	9,000
Branch A/C	1,70,400	–
Total	24,55,600	46,440
Credit Balances:		
Share Capital	8,00,000	
Reserves	4,43,200	
Sales Revenue	7,45,200	19,200
Creditors	38,800	1,000
H.O. A/C	–	16,800
Accumulated Depreciation	4,28,400	9,440
Total	24,55,600	46,440

(1) Following details are available for exchange rate :

As on 1/4/2018	1 \$ = 58 ₹
Average of the year	1 \$ = 60 ₹
As on 31/3/2019	1 \$ = 62 ₹

(2) Whenever branch acquired fixed assets, exchange rate was 1 \$ = 50 ₹.

Prepare Final Accounts in books of Bharat Crafts Ltd. after incorporating details of branch.

4. Balance Sheets of ABC Ltd. and its associates XYZ Ltd. as on 31/3/2019 given below. Prepare consolidated Balance Sheet on that basis.

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Balance Sheets on 31/3/2019 (₹ “000)

Particulars	ABC Ltd.	XYZ Ltd.
Equity and Liabilities :		
Equity Share Capital (of ₹ 100 each)	4,000	1,600
Reserves	1,000	400
Profit & Loss A/C	200	200
Debentures	400	–
Creditors	100	300
Other Outstanding Liabilities	60	–
Outstanding Expenses	40	–
Total	5,800	2,500
Assets :		
Land & Building	1,800	900
Plant & Machinery	1,400	700
Furniture	600	–
Vehicles	300	–
Investment in XYZ Ltd.	700	–
Stock	300	400
Debtors	300	–
Other Receivables	400	500
Total	5,800	2,500

On 1/8/2018 ABC Ltd. had required 6000 Shares of XYZ Ltd. On 1/4/2018 XYZ Ltd. had General Reserve and Credit Balance of P&L A/C ₹ 1,60,000 & ₹ 80,000 respectively.

SECTION – II

5. MCQs : (Any **five**)

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(1) Under CPP methods which of the following is not the part of monetary items ?

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|-------------|-----------------------|
| (a) Debtors | (b) Stock |
| (c) Cash | (d) None of the above |

(2) Which of the following is not included in monetary items ?

- | | |
|-------------|---------------|
| (a) Debtors | (b) Bank Loan |
| (c) Stock | (d) Creditors |

(3) Inflation Accounting has basic objection against _____

- | | |
|------------------------|----------------------|
| (a) Stable money value | (b) Consistency |
| (c) Comparability | (d) All of the above |

(4) For amount sent by foreign branch to HO is translated at _____.

- | | |
|---------------------------|---------------------------|
| (a) Average Exchange Rate | (b) Opening Exchange Rate |
| (c) Closing Exchange Rate | (d) Actual Amount |

(5) International accounting has relation with _____.

- | | |
|-------------------------|----------------------|
| (a) Translation problem | (b) MNCs |
| (c) Global Economy | (d) All of the above |

(6) For _____ International accounting helpful to MNCs.

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|---------------------------|------------------------------|
| (a) Transfer price | (b) Exchange rate Difference |
| (c) Consolidated Accounts | (d) All of above |

(7) International accounting has relation with _____.

- | | |
|--------------------------|--------------------|
| (a) Currency translation | (b) Global economy |
| (c) (a) & (b) | (d) None |

- (8) The first committee for developing accounting course with internationalized component was established in _____.
- (a) 1989 (b) 1999
(c) 2001 (d) 2009
- (9) Under AS 10, interest upto the date of installation of asset is _____.
- (a) Add in Assets (b) Written of in P&L Account
(c) Disclosed as a fictitious asset (d) None
- (10) In present time convergence means
- (a) Implementation of IFRS (b) Implementation of AS
(c) Implementation of Accounts (d) None
- (11) Currency translation is useful for _____.
- (a) Consolidation of Accounts (b) Computation of Gain/loss
(c) True and Fair Presentation (d) All of the above
- (12) The important reason for origin of translation problem is _____.
- (a) Bimetallism (b) Gold Standards
(c) Bretton Wood System (d) Flexible Exchange Rate
