

## MITF Sem.-1 Examination

## MITF-104T

## Accounting for Mgmt-1

February-2025

Time : 2-30 Hours]

[Max. Marks : 70

## Instructions:

- Figures to the right indicate Full Marks.
- Do not write anything on the question paper.
- Simple calculator is allowed

Q.1	Accounting is an Information System. Please justify this statement by depth analysis.	14
Q.2	<p>TNT Ltd. owns an investment property in the heart of a metropolitan city. The company is required to re-measure the fair value of the investment property for the year-end reporting under IFRS 13 (Fair Value Measurement). The property was purchased two years ago for \$1,600,000, and since then, its market value has fluctuated.</p> <ul style="list-style-type: none"> <li>- A recent independent property appraiser has valued the property at \$1,900,000.</li> <li>- The transaction costs to sell the property are estimated at \$60,000.</li> <li>- The rental income generated from the property during the year was \$140,000.</li> <li>- The expected holding period of the property is more than 12 months.</li> </ul> <p>Calculate fair value of asset as per IFRS 13</p> <p style="text-align: center;"><b>OR</b></p> <p>What are Accounting Standards? Discuss their importance, application or use worldwide.</p>	14 14
Q.3	<p>A) Differentiate between current assets and non-current assets</p> <p>B) Difference between Depreciation &amp; Amortization?</p> <p style="text-align: center;"><b>OR</b></p> <p>A) Explain the concept of objectivity and materiality.</p> <p>B) Explain the rules of Debit and credit as per golden rule approach.</p>	7 7 7 7

(P.T.♡)

Q.4	<p>Explain the purpose and preparation of a Balance Sheet. List and explain the major items on the asset and liability side.</p>	14																																				
<b>OR</b>																																						
<p>Following is the Receipts and Payments Account of New bird Forty Club for the year ended 31<sup>st</sup> March, 2022: Receipts and Payments A/c for the year ended on 31<sup>st</sup> March 2022</p>																																						
<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 25%;">Receipts</th> <th style="width: 25%;">Amount(₹)</th> <th style="width: 25%;">Payments</th> <th style="width: 25%;">Amount(₹)</th> </tr> </thead> <tbody> <tr> <td>To balance b/d</td> <td style="text-align: right;">2,50,000</td> <td>By Salaries and wages</td> <td style="text-align: right;">1,65,000</td> </tr> <tr> <td>To Subscription-</td> <td></td> <td>By Office expenses</td> <td style="text-align: right;">35,000</td> </tr> <tr> <td>    2020-2021</td> <td style="text-align: right;">65,000</td> <td>By Sports equipment</td> <td style="text-align: right;">3,42,000</td> </tr> <tr> <td>    2021-2022</td> <td style="text-align: right;">3,55,000</td> <td>By Telephone Charges</td> <td style="text-align: right;">28,000</td> </tr> <tr> <td>To Donations</td> <td style="text-align: right;">55,000</td> <td>By Electricity charges</td> <td style="text-align: right;">32,000</td> </tr> <tr> <td>To Entrance fees</td> <td style="text-align: right;">85,000</td> <td>By Travelling and conveyance</td> <td style="text-align: right;">65,000</td> </tr> <tr> <td></td> <td></td> <td>By balance c/d</td> <td style="text-align: right;">1,43,000</td> </tr> <tr> <td></td> <td style="text-align: right;">8,10,000</td> <td></td> <td style="text-align: right;">8,10,000</td> </tr> </tbody> </table>			Receipts	Amount(₹)	Payments	Amount(₹)	To balance b/d	2,50,000	By Salaries and wages	1,65,000	To Subscription-		By Office expenses	35,000	2020-2021	65,000	By Sports equipment	3,42,000	2021-2022	3,55,000	By Telephone Charges	28,000	To Donations	55,000	By Electricity charges	32,000	To Entrance fees	85,000	By Travelling and conveyance	65,000			By balance c/d	1,43,000		8,10,000		8,10,000
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<p>Additional information:</p>																																						
<p>(a) Outstanding subscriptions for the year ended 31<sup>st</sup> March, 2022 – ₹55,000.</p>																																						
<p>(b) Outstanding salaries and wages – ₹ 40,000 for the year ended on 31<sup>st</sup> March 2022.</p>																																						
<p>(c) Depreciate sports equipment by 25% for the year ended on 31<sup>st</sup> March 2022.</p>																																						
<p>(d) Capitalize 50% of the entrance fees.</p>																																						
<p>Prepare Income and Expenditure Account of the club from the above particulars for the year ended on 31<sup>st</sup> March 2022.</p>																																						
Q.5	<p>A machine has the following details as of 31 March 2024:</p> <ul style="list-style-type: none"> <li>• Carrying Amount: ₹6,00,000</li> <li>• Fair Value Less Costs of Disposal: ₹5,50,000</li> <li>• Value in Use: ₹5,75,000</li> </ul> <p>Required: Calculate if the machine is impaired, determine the impairment loss &amp; Journalize this transaction.</p>	14																																				