

4/51

1504E211

Candidate's Seat No : _____

M.Com. HPP (AAA) Sem.-4 Examination

CC-20

International Accounting

Time : 2-30 Hours]

April-2025

[Max. Marks : 70

Q.1 Write the characteristics of International Accounting in detail. (14)

OR

Q.1 Differentiate between DOMESTIC Accounting and INTERNATIONAL Accounting (14)

Q.2 X Ltd. has its head-office at Mumbai and its branch is in England. From the trial balance of HO and branch as on 31/03/2018, prepare Trial balances of branch in Indian rupees and Final accounts of Head office incorporating accounts of branch. (14)

Debit Balances	HO(₹)	Branch £	Credit Balances	HO(₹)	Branch £
Purchases	500,000	4,800	Sales	1,000,000	9,000
Office expenses	120,000	880	Share capital	460,000	----
Cash and Bank	40,000	1,280	Creditors	70,000	250
Debtors	170,000	600	HO Account	----	1,750
Fixed Assets	800,000	----	Goods sent to branch	180,000	----
Opening Stock	60,000	240	Cash received from Branch	90,000	----
Cash sent to HO	----	1,200			
Goods received from HO	----	2,000			
Branch Account	110,000	----			
	1,800,000	11,000		1,800,000	11,000

Additional Information:

(1) Closing Stock: HO : ₹ 70,000 Branch: pound 300

(2) Calculate 12% depreciation on Fixed Assets.

(3) Exchange rates are as follows:

1/4/2017 1 pound = ₹ 86

31/3/2018 1 pound = ₹ 90

Average 1 pound = ₹ 88

OR

Q.2 Explain the procedure of creating Consolidated balance sheet in case of foreign branch (14) accounting.

Q.3 Following are the balance-sheets of Indian R Co. Ltd. and its Swiss based foreign subsidiary S Co. Ltd. (14)

Balance-sheet as on 31/3/2022

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(P.T.O)

Liabilities	R Co. Ltd. IND ₹	S Co. Ltd. Swiss Franc	Assets	R Co. Ltd. IND ₹	S Co. Ltd. Swiss Franc
Share capital	15,00,000	20,000	Building	10,00,000	18,000
General reserve	9,50,000	9,500	Machinery	12,00,000	12,000
P & L A/c	8,00,000	9,600	Furniture	5,00,000	7,000
Non-Current Liability	6,00,000	6,000	Investment in S Co. Ltd.	8,40,000	—
Creditors	1,50,000	1,800	Debtors	3,00,000	6,000
Bills Payable	1,00,000	1,100	Bills receivable	2,00,000	4,000
			Cash	60,000	1,000
	41,00,000	48,000		41,00,000	48,000

Additional Information:

(1) R Co. Ltd. had acquired 60% shares of S Co. Ltd. on 1/7/2021.

(2) There was opening balance of the year of General Reserve and P & L A/c in the books S Co. Ltd. 3,500 and 3,500 respectively. (it is in the currency of Swiss Franc)

(3) S Co. Ltd. had paid 10% dividend for the year 2020-'21, when exchange rate was 1 Swiss Franc = 60 IND (Indian Rupees)

(4) Exchange Rates:

On 1/4/2021 1 Swiss Franc = 60 ₹

On 1/7/2021 1 Swiss Franc = 62 ₹

On 31/3/2022 1 Swiss Franc = 63 ₹

Average 1 Swiss Franc = 62 ₹

Prepare consolidated Balance Sheet of R Co. Ltd.

OR

Q.3 Following are the Balance Sheets of Jantar Ltd. and Mantar Ltd. as on 31/3/2017 (14)

Particulars	Jantar Ltd. (Rs.)	Mantar Ltd. (\$)
I. Equity and Liabilities :		
(1) Shareholders' Funds		
Share Capital (Each share of Rs.10 each and \$10 each)	4,00,000	3,000
General Reserve	1,60,000	2,000
Profit and loss Account	1,40,000	1,800
(2) Non- Current Liabilities		
Long term borrowing	3,00,000	2,000
(3) Current Liabilities	2,00,000	1,200
Total	12,00,000	10,000
II. Assets :		
(1) Non-Current Assets:		
Fixed Assets	4,40,000	2,800
Non-Current investments(180 Shares in Mantar Ltd..)	4,00,000	-
(2) Current Assets:		

Stock	1,20,000	3,400
Debtors	80,000	2,200
Cash and Bank	1,60,000	1,600
Total	12,00,000	10,000

Additional Information:

1. Jantar Ltd. purchased 180 shares of Mantar Ltd. on 1/10/2017. Balance of General Reserve and Profit and Loss Account in the books of Mantar Ltd. on 1/10/2017 were \$ 800 and \$ 1000 respectively.
2. Exchange rates are as under:
 - On 1/4/2017 \$1= Rs 100
 - On 1/10/2017 \$1=Rs. 110
 - On 31/3/2018 \$1=Rs. 112
 - Average \$1=Rs. 111

Prepare consolidated Balance sheet of Jantar Ltd.

Q.4 Explain in detail different types of COST BASED SYSTEMS under Transfer Pricing. **(14)**

OR

Q.4 Explain the ARM'S LENGTH PRINCIPLE with the help of examples. **(14)**

Q.5 Choose Appropriate alternative from the following. (Attempt any 7 out of 12) **(14)**

1. What is the full form of IFRS ?
 - a. International Finance Report State
 - b. International & Financial Reports
 - c. International Financial Reporting Standards
 - d. International & Financial Standards
2. Which of the following are included in traditional methods of Transfer Pricing ?
 - a. Comparable Uncontrolled Price Method
 - b. Resale Price Method
 - c. Profit split Method
 - d. BOTH (a) and (b)
3. IFRS are issued by
 - a. IASB
 - b. CICA
 - c. SAIB
 - d. ICAI
4. _____ is a global financial instrument
 - a. ADR's / GDR's
 - b. Shares
 - c. Bonds
 - d. Debentures
5. The Govt. of India took the first step against double taxation by forming _____
 - a. GST act
 - b. Income Tax Act 1961
 - c. Income tax (Indian State) Corp.
 - d. None of the above

6. _____ is international financial instrument
- a. Depository Receipts
 - b. Equity Shares
 - c. Bonds
 - d. Preference Shares
7. Who develops IFRS?
- a. CICA
 - b. SAIB
 - c. ICAI
 - d. IASB
8. Which of the following method is not a method of Transfer Pricing?
- a. Resale Price Method (RPM)
 - b. Cost Plus Method (CPM)
 - c. Price Split Method (PSM)
 - d. None of the above
9. Accounting Standards are issued by _____ in India.
- a. SEBI
 - b. RBI
 - c. ICAI
 - d. ICSI
10. _____ is consolidation method.
- a. Line by Line
 - b. One line
 - c. Pro-rata
 - d. All of these
11. As per AS-14 amalgamation can be of _____ method.
- a. In nature of merger
 - b. In nature of purchase
 - c. In nature of consolidation
 - d. A and B both
12. _____ are international transactions.
- a. Trade transaction
 - b. Financial market transaction
 - c. Forward contracts
 - d. All of these
