

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

**International Accounting**

**April 2022**

**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 significance of International Accounting. (10)

Q.2

- a) Explain the scope of IFRS. (10)  
b) Discuss the need for convergence of accounting standards. (10)

Q.3

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

Balances	Head Office (IND ₹)	Branch (US \$)
<b>Debit Balances:</b>		
Branch Account	1,07,550	-
Cash sent to H.O.	-	2,900
Fixed Assets	4,00,000	-
Debtors	70,000	1,600
Opening Stock	30,000	400
Goods Received from H.O.	-	6,100
Purchases	3,50,000	12,000
Wages	30,000	1,000
Salary	25,000	1,200
Cash	15,000	3,200
	<b>10,27,550</b>	<b>28,400</b>
<b>Credit Balances:</b>		
Head Office Account	-	7,400
Cash Received from Branch	44,950	-
Sales	5,00,000	20,000
Share Capital	3,55,000	-
Creditors	38,000	1,000
Goods Sent to Branch	94,550	-
	<b>10,27,550</b>	<b>28,400</b>

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**Additional Information**

- 1) Closing Stock: Head Office IND ₹ 47,000  
Branch US \$ 700
- 2) Rate of Depreciation 10%
- 3) Exchange Rates:  
Opening 1 US \$ = IND ₹ 16.00  
Average 1 US \$ = IND ₹ 16.50  
Closing 1 US \$ = IND ₹ 16.25

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 Magan Ltd., Calculate the Gearing Adjustment required under Current Cost Accounting(CCA) Method.

Particulars	as on 31/3/2020 (₹)	as on 31/3/2021 (₹)
Bank Loan	15,00,000	14,00,000
12% Debentures	20,00,000	20,00,000
Provision for Taxation	4,00,000	6,00,000
Cash and Bank	3,00,000	4,00,000
Share Capital	40,00,000	40,00,000
Reserves and Surplus	10,00,000	15,00,000

Current Cost Adjustments:	(₹)
Cost of Sales Adjustment	8,00,000
Depreciation Adjustments	2,00,000
Monetary Working Capital Adjustments	6,00,000
	<u>16,00,000</u>

(10)

- b) What is Business Combination? Discuss its objectives in detail.

(10)

**Section II**

Choose the correct option. (Attempt any five)

(10)

1. Which of the following is NOT a characteristic of international accounting?

- (a) Universal Method  
(b) Extended version of local accounting  
(c) Global Capital Market  
(d) International Auditing

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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, accounting for losses is given a deferral effect?  
(a) Non-Deferral Approach (b) Partial Deferral Approach  
(c) Deferral Approach (d) Amortization Approach
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 less 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