Register Number:

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**ST. JOSEPH’S COLLEGE (AUTONOMOUS), BANGALORE-27**

**M.COM – I SEMESTER**

**SEMESTER EXAMINATION: OCTOBER 2021**

**(Examination conducted in February-March 2022)**

MCO 7120 - Financial Reporting and Standards

Time-2 ½ hrs Max Marks-70

**This paper contains 2 (two) printed pages and four parts**

**SECTION A**

**Answer any TEN (10) of the following (10 \* 2 Marks = 20 Marks)**

1. What is GAPP?
2. Define Harmonization and standardization of accounting standards.
3. What is Offsetting meaning in accounting
4. Define the term ‘Going concern’.
5. State the purpose of an Annual Report.
6. What are the basic recognition criteria of an inventory
7. Define intangible assets as per Indian Accounting standard
8. What is the purpose of notes to accounts?
9. Expand IFRS, IAS, IND AS and MCA.
10. Explain revenue and income of a company
11. Explain Borrowing costs.
12. Define Impairment of assets

**SECTION B**

**Answer any THREE (3) of the following (3 \* 5 Marks = 15 Marks)**

1. Discuss the advantages of convergence to IFRS.
2. What are the objectives of Ind AS 1 and IND AS 101.
3. Explain the treatment of non-controlling interest group in preparation of consolidated balance sheet.
4. What are important contents of an Annual report?
5. Calculate initial recognition of an asset with the following details

ABC Company constructs a fixed asset and following are the expenses incurred.​

Raw Materials Rs 50,000​

Direct expenses Rs 20,000​

Direct labour (50% with construction of new asset) Rs25,000​

Total administrative and office expenses ​ (50% of expenses charged to construction of new asset) Rs 50,000​

Selling expenses Rs 3,000​

Advertisement expenses Rs 2,000

Sample production cost Rs4,000​

Fee paid to professionals Rs.6,000 ​

Site preparation cost Rs50,000​

Office expenses for installation of machine Rs3,000

**SECTION C**

**Answer any TWO (2) of the following (2 \* 10 Marks = 20 Marks)**

1. Explain the Road map for implementation phases of Ind AS.
2. Discuss the nature and importance of accounting.
3. Prepare income statement from the following details

Revenue from operations Rs 5,00,000

Rent income Rs 5,000

Received commission Rs 4,000

Depreciation

Machinery Rs 500

Furniture Rs 200

Other fixed assets Rs 1,300

Purchases Rs 200,000

Purchases returns Rs 10,000

Interest paid Rs 1,000

Closing stock Rs 45,000

Opening stock 60,000

Other expenses Rs 10,000

**SECTION D**

**Compulsory Question (15 Marks)**

1. Discuss the importance of interim financial reports (5 marks)
2. Find cost of inventory from the following details​ (10 marks)

Purchase price Rs 100​

Import duty (non-refundable)​ Rs 10

Other entry taxes (refundable) Rs 10​

Transportation costs Rs 5

Handling costs Rs 25

Other rebates Rs 5

Other direct expenses directly attributable to materials Rs 4

The following expenses made to bring the inventory to a usable condition

Direct material cost Rs 5

Direct labour Rs 10

Fixed variable overheads Rs 5

**--- END OF THE QUESTION PAPER ---**