

SIXTH SEMESTER UG DEGREE EXAMINATION, APRIL 2025**B. COM. HONOURS****GBCH6E04T: FINANCIAL REPORTING AND ANALYSIS****Time: 3 hours****Maximum Marks: 80****Part A. Answer *all* the questions. Each question carries *one* mark.****Choose the correct answer.**

1. ASB Stands for _____.
 - a. Accounting Statement Board of India.
 - b. Accounting Standard Board of India.
 - c. Accounting Statutory Body of India.
 - d. Accounting Statutory Board of India.
2. FASB Set up in the year _____.
 - a. 1973
 - b. 1975
 - c. 1980
 - d. 1979
3. State the Ind AS of intangible assets.
 - a. Ind AS 35
 - b. Ind AS 32
 - c. Ind AS 38
 - d. Ind AS 40
4. How many accounting standards converged with IFRS?
 - a. 35
 - b. 32
 - c. 36
 - d. 30
5. Which of the following is a cash and cash equivalents?
 - a. Cash in hand.
 - b. Foreign currency in hand.
 - c. Bank balance.
 - d. All of the above.

Fill in the blanks.

6. Asset held for more than 12 months is called _____.
7. IASC's headquarters are at _____.
8. _____ are the amount of income tax payable in future periods for taxable temporary differences.
9. _____ are deducted from the net profit figure, prior to calculating basic EPS.
10. IASB was established in _____.

(10 x 1=10 marks)**(PTO)****Part B. Answer any *eight* questions. Each question carries *two* marks.**

11. What are elements of E-commerce transactions?
12. What is amortization?
13. Define borrowing cost.
14. What is deferred tax liabilities?
15. State the scope of IAS 41
16. What are the purpose of integrated reporting in E commerce?
17. List out the functions of FASB.
18. What do you mean by IFRS convergence and adoption?
19. Define the term equity.
20. What do you mean by lease?

(8 × 2 = 16 Marks)

Part C. Answer any six questions. Each question carries *four* marks.

21. ABC Ltd. grants 120 share options to each of its 230 employees. Each grant is conditional on the employees working for ABC Ltd over next three years. ABC Ltd. has estimated that the fair value of each share option is ₹24. ABC Ltd estimated 25% of employees will leave during the three year period and forfeit their rights to the share options. Everything turns out as expected. Calculate the amounts to be recognized as expense during the vesting period.
22. A company bought an asset for ₹20,00,000 on 1st April 2022. It had a useful life of 10 years. On April 2024, the asset was revalued to ₹28,00,000. The expected useful life has remained unchanged (i.e.; 8 years remaining). How is this accounted for?
23. An entity's PPE Carrying value ₹14,00,000 is revalued at ₹18,00,000 with a rate of tax at 30 %. What is the deferred tax liabilities and the entry to be passed?
24. Raj Ltd presents interim financial report quarterly, earns ₹ 800 lakh pre -tax profit in the first quarter ending 30/6/2022 but expect to incur losses of ₹ 250 lakh in each of the remaining three quarters. Effective income tax rate is 35%. Calculate the income tax expense to be reported for each quarter as per IAS.
25. On April 2023 a retailer ₹10,000 contribution to be defined contribution plan in part exchange for service performed by the entity's employees in March 2022. What will be the accounting treatment as per IAS 19?
26. On January 2024, Ramson Company entered into new lease arrangement with new lessor. The lessor agrees to pay the lessee's relocation costs as an incentive to lessee for entering into the new lease. The lessee's moving cost are ₹1,00,000. The new lease has a term of ten years, at a fixed rate of ₹2,00,000 per year. Calculate lease expense per year.

27. Differentiate between IFRS and Ind AS.
28. What are the objectives of Ind AS 2?

(6 × 4 = 24 Marks)

Part D. Answer any *two* questions. Each carries *fifteen* marks.

29. On 1st April 2022 Sapco Ltd entered as lessee into a five year non- cancellable lease of a machine that has an economic life of ten years, at the end of which it is expected to have no value. At the inception of the lease, the fair value (cash cost) of the machine is ₹1,00,000. On 31 March for each of the four years of the lease term the lessee is required to pay the lessor ₹ 23000. At the end of lease term ownership of the machine passes to the lessee upon payment of the final lease payment of ₹ 23539. The interest rate implicit in the lease is 5% per year, which approximates the lessee's incremental borrowing rate.

a) Determine type of this lease arrangement.

b) Illustrate the NPV table of MLP.

30. A retailer holds 3 items of inventory X, Y and Z. on 31st March 2024. It is likely that all items of inventories will be sold. Based on the information provided in the table below, is the entity required to record any impairment loss on 31st March 2024.

Item	Carrying amount	Expected selling price at the time of acquiring	Selling price estimated as on 31 st March 2024	Cost to sell estimated as on 31 st March 2024
X	70,000	80,000	64,000	4,000
Y	86,000	88,000	94,000	10,000
Z	1,50,000	2,00,000	180000	22,000

31. Define IFRS and explain its features. Enumerate benefits of adopting IFRS.

(2 × 15 = 30 Marks)