

71522



Fifth Semester B.C.L.S. Degree Examination, March/April 2022
(CBCS Scheme)
COMMERCE

Paper – 5.2 : International Financial Reporting Standards

Max. Marks : 70

Time : 3 Hours

Instruction : Answer should be written in **English** only.

SECTION – A

1. Answer **any five** questions. **Each** sub-question carries **2** marks. **(5×2=10)**
- Write the meaning of Accounting Standards.
 - Write any two advantages of IFRS.
 - What is investment property as per Ind AS 40 ?
 - Write any two items of finance cost of SOPL.
 - What do you mean by pre-acquisition profit ?
 - How do you calculate basic EPS ?
 - Write any four intangible assets.

SECTION – B

Answer **any three** questions. **Each** question carries **6** marks. **(3×6=18)**

- List out any nine International Accounting Standards (IAS) issued by IASB.
- Mention the disclosure requirements of operating segments under Ind AS 108.
- Suresh Ltd. is installing a new plant at its production facility. It has incurred the following costs.

	Rs.
a. Cost of the plant (as per invoice plus non-refundable taxes)	12,50,000
b. Initial delivery and handling cost	1,00,000
c. Cost of site preparation	3,00,000
d. Consultants used for advise on the acquisition of the plant	3,50,000
e. Interest charges paid to supplier of plant for deferred credit	1,00,000
f. Estimated dismantling costs to be incurred after 7 years	1,50,000
g. Maintenance charges after installation of plant and put to use	2,00,000

Calculate the cost need to be capitalized according to Ind AS-16.

P.T.O.



5. Following are the details of Madhu Company Ltd., prepare statement of Profit/Loss for the year ended 31st March 2021 as per Schedule III of Companies Act, 2013.

Particulars	Amount
Revenue	4,00,000
Cost of materials consumed	1,30,000
Other income	40,000
Opening stock	75,000
Closing stock	60,000
Finance cost	35,000
Employee benefits	40,000
Depreciation and amortization	25,000
Other expenses	15,000
Income tax expenses	40,000

6. Calculate Non-controlling interest from the following information.
XYZ Co. Ltd., acquired 56000 shares of Rs. 10 each in ABC Co. Ltd., on 1-04-2020. The following balances are extracted from the statement of financial position of ABC Co. Ltd., as on 31-3-2021.

	Rs.
– Share capital 70,000 shares of Rs. 10 each	
– General reserve (on 1-4-2020)	1,40,000
– Profit and Loss account balance (on 1-4-2020)	2,24,000
– Profit during the year 2020 – 21	1,20,000

SECTION – C

Answer **any three** questions from the following. **Each** question carries **14** marks. **(3×14=42)**

7. a) Briefly explain the practical challenges in implementing IFRS in India.
b) List out any fourteen IFRS issued by IASB.
8. a) Briefly explain the disclosure of provisions under Ind AS 37-provisions, contingent assets and contingent liabilities.
b) What are the objectives and disclosures of Ind AS 24-related party disclosures ?



9. a) Ambi Co Ltd., has a plant whose original cost was Rs. 4,50,000. The accumulated depreciation on the plant is Rs. 50,000. Ambi Co. Ltd. recently sold another similar plant for Rs. 1,50,000 and the selling expenses were Rs. 15,000. Management has determined the value in use of the plant as Rs. 2,00,000.

Calculate impairment loss as per Ind AS 36.

b) Calculate the borrowing cost of Hemanth Ltd. as per Ind AS-23.

- a) Rs. 4 crores arranged by issuing 8% debentures repayable after 10 years.
- b) Rs. 2 crores by a loan from IDBI with 10 years term @ interest of 10% p.a.
- c) Rs. 2 crores overdraft from Canara Bank @ interest of 10% p.a.
- d) Cost of issue of debentures is Rs. 10 lakhs.
- e) Processing and consultancy charges for IDBI loan – 3% of loan.
- f) Debentures are repayable at 5% premium.

10. a) From the following details of Narendra Company Ltd., prepare a statement of Profit/Loss for the year ended 31st March 2021 as per Schedule III of Companies Act, 2013.

Particulars	Amount
Sales	6,00,000
Purchase of stock in trade	2,50,000
Rent received	50,000
Commission received	25,000
Opening stock in trade	2,50,000
Closing stock in trade	2,00,000
Salaries to employees	75,000
PF contribution to employees	25,000
Interest on bank loan	20,000
Interest on debentures	10,000
Sundry expenses	10,000
Depreciation on tangible assets	20,000
Income tax	50,000

b) From the following Trial Balance of Raghavendra Co Ltd., prepare a statement of financial position as on 31-3-2021.

Debit	Rs.	Credit	Rs.
Lease hold property	40,00,000	Equity share capital	50,00,000
Plant and machinery	10,00,000	Staff welfare fund	3,00,000



Goodwill	15,00,000	Capital redemption reserve	10,00,000
Non-current assets	10,00,000	General reserve	5,00,000
Non-current investments	5,00,000	Deposits from public	5,00,000
Stock	10,00,000	Current liabilities	25,00,000
Cash	8,00,000		
	98,00,000		98,00,000

11. a) Calculate Non-controlling interest from the following.
Geetha Ltd., acquired 60% of equity shares in Seetha Ltd., on 1-7-2020. The following balances are extracted from the financial position of Seetha Ltd., as on 31-3-2021.
- 1) Share capital : 20000 equity shares of Rs.10 each.
 - 2) Balances as on 1-4-2020 :
 - a. General Reserve – 70,000.
 - b. Profit and Loss A/c – 55,000.
 - 3) Net Profit for the year ending 31-3-2021 : Rs. 45,000.
- b) H Company Ltd. acquired 4000 equity shares of S Company Ltd., as on 1-4-2020. The following are the statement of financial position of two companies as on 31-3-2021.

Assets	H Ltd. (Rs.)	S Ltd. (Rs.)
Land and Building	5,00,000	6,00,000
Investments (Shares of "S" Ltd.)	7,20,000	—
Sundry Debtors	50,000	80,000
Inventories	75,000	50,000
B/R	40,000	5,000
Cash	2,50,000	1,60,000
Total	16,35,000	8,95,000
Equity and Liabilities	H Ltd. (Rs.)	S Ltd. (Rs.)
Equity share capital (Rs.100 each)	10,00,000	5,00,000
General Reserve on 1-4-2020	2,00,000	2,00,000
Profit and Loss A/c on 1-4-2020	50,000	60,000
Profit during the year 2020 – 21	1,20,000	80,000
Sundry Creditors	2,65,000	55,000
Total	16,35,000	8,95,000

Calculate goodwill/capital reserve.