

**MASTER OF COMMERCE  
FIRST SEMESTER [REPEAT]  
FINANCIAL ACCOUNTING & REPORTING  
MCM-103**

**SET  
A**

**[USE OMR SHEET FOR OBJECTIVE PART]**

Duration: 3 hrs.

Full Marks: 70

Time: 30 mins.

**(Objective)**

Marks: 20

*Choose the correct answer from the following:*

*1×20=20*

1. If accounting information based on facts and if it is verifiable by document it has the quality of:
  - a. Relevance
  - b. Reliability
  - c. Understandability
  - d. Comparability
2. Who are not external users of accounting information?
  - a. Creditors
  - b. Debenture holders
  - c. Management
  - d. Public
3. According to which concept even the proprietor of the business is treated as a creditor of the business:
  - a. Going concern concept
  - b. Cost concept
  - c. Business entity concept
  - d. Accounting period concept
4. Accrual concept is based on:
  - a. Matching concept
  - b. Dual aspect concept
  - c. Cost concept
  - d. Going concern concept
5. IFRS are:
  - a. Rule based accounting standards
  - b. Principle based accounting standards
  - c. Partially rule based and partially principle based accounting standards
  - d. None of the above
6. IFRS are based on:
  - a. Historical cost
  - b. Fair value
  - c. Both historical and fair value
  - d. None of the above
7. State which one of the following statement is true:
  - a. NFRA is an advisory committee constituted to advice the companies regarding the formulation of accounting policies.
  - b. Section 128 to section 138 of the Companies Act, 2013, speaks about preparation of profit and loss account and balance sheet of the company.
  - c. Disclosure regarding corporate governance in corporate annual report is not mandatory
  - d. All of the above
8. .... is the Indian Jurisdiction of XBRL International.
  - a. XBRL India
  - b. XBRL Bharat
  - c. XBRL Delhi
  - d. None of these



9. It is argued that it is in the interest of business to protect the environment because:
- a. Short term profits will increase.
  - b. In the long term we are all dead.
  - c. Current operating costs will fall.
  - d. Maximizing short term profits endangers long term profits and increases risk.
10. The original cost at which an asset or liability is acquired is known as .....
- a. Fair value
  - b. Carrying cost
  - c. Replacement cost
  - d. Historical cost
11. Which one of the following is the issuing authority of Ind AS?
- a. RBI
  - b. MCA
  - c. ICAI
  - d. IASB
12. Directors' responsibility statement is a statement which contains written assurances from the board of directors that .....
- a. All company policies are followed
  - b. The company has filed the annual report with the Registrar
  - c. The directors remuneration is received on regular basis
  - d. Inventory and property, plant and equipment valuation policy only.
13. The National Financial Reporting Authority (NFRA) to provide for matters relating to ..... (Choose the most appropriate option)
- a. Accounting and auditing standards.
  - b. Accounting standards
  - c. Auditing standards
  - d. Accounting and auditing standards and Environment Protection standards.
14. Which one of the following not the causes of differences in International Accounting Practices?
- a. Taxation system
  - b. National culture
  - c. Legal system
  - d. IFRSs
15. Accounting Standards Board was set up in India in the year..... (Fill in the blank with suitable option)
- a. 1972
  - b. 1973
  - c. 1985
  - d. 1977
16. Controlling or hedging the effects of high rises and sharp falls in corporate income is called .....
- a. Equity measurement
  - b. Expenditure smoothing
  - c. Window dressing
  - d. Income smoothing
17. All filings done by the companies/LLPs under MCA21 e-Governance programme are required to be filed the documents by the authorized person using .....
- a. Aadhar Card
  - b. Digital Signature
  - c. Debit Card
  - d. Credit Card
18. \_\_\_\_\_ is the process of measuring, monitoring, and reporting to stakeholders the social and environmental effects of an organization's actions.
- a. Corporate Social Responsibility
  - b. Social Accounting
  - c. Corporate Accounting
  - d. None of the above

19. Disadvantage associated with the Human Resource Accounting:
- Lack of standardized procedures
  - Based on the assumptions
  - Life span of human resource cannot be estimated
  - All the above
20. Which one of the following items is not presented in the statement of changes in equity?
- Profit or loss
  - Transactions with owners in their capacity as owners
  - Other comprehensive income
  - Market price of equity

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**[ PART-B : Descriptive ]**

Time : 2 hrs. 40 min.

Marks : 50

[ Answer question no.1 & any four (4) from the rest ]

- Discuss the provisions of the Companies Act, 2013 for the preparation of financial statements. 10
- State the objectives of Human Resource Accounting. 4+6=10
  - Discuss any two methods of valuation of Human Resource.
- Discuss the major differences between Ind AS and IFRS. 10
- Discuss the accounting theory building process under inductive and deductive approach with example. 5+5=10
  - Discuss the features of accounting information system.
- Following information is available of Rima, Zahin Company Ltd.;

calculate E. V. A.:

Debt capital 12%	Rs.2000 crores
Equity capital	Rs.500 crores
Reserves and Surplus	Rs. 7500 crores
Capital employed	Rs.10,000 crores
Risk-free rate	9%
Beta factor	1.05
Market rate of return	19%
Equity (Market) risk premium	10%
Operating profit after tax	Rs. 2100 crores
Tax rate	30%

    - Write a brief note on applications of XBRL in business. 6+4=10



6. From the following Balance Sheets of Aqib Ltd. as on 31<sup>st</sup> March, 2016 and 2017, prepare a Cash Flow Statement.

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Particulars	31. 3. 2016 (Rs.)	31. 3. 2017 (Rs.)
<b>I. EQUITY AND LIABILITIES</b>		
<b>1. Shareholders' Funds</b>		
<i>Share Capital:</i>		
Equity Share Capital	4,00,000	7,50,000
8% Preference Share Capital	60,000	1,00,000
<b>Reserves &amp; Surplus:</b>		
Surplus as per Statement of P&L	1,70,000	1,20,000
General Reserve	80,000	60,000
<b>2. Non Current Liabilities: 10% Debentures</b>	<b>2,00,000</b>	<b>1,80,000</b>
<b>Total</b>	<b>9,10,000</b>	<b>12,10,000</b>
<b>II. ASSETS</b>		
<b>1. Non Current Assets</b>		
Fixed Assets	5,00,000	7,00,000
<b>2. Current Assets</b>		
Stock	2,10,000	2,50,000
Trade Receivables: Debtors	1,40,000	1,90,000
Cash & Cash Equivalents	60,000	70,000
<b>Total</b>	<b>9,10,000</b>	<b>12,10,000</b>

**Additional Information:**

During the year machine costing Rs.70,000 was sold for Rs.40,000.  
Dividend paid Rs.60,000.

7. Write a comprehensive note on Ind AS-16

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8. Write short note (*Any two*)

2×5=10

- Consolidated Financial Statement
- Statement of Changes in Equity
- Qualitative characteristics of Financial Information
- Ind AS 2

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