



NS – 437

V Semester B.Com. Examination, Nov./Dec. 2016  
(CBCS) (Fresh) (2016-17 and Onwards)

COMMERCE

Paper – 5.2 : International Financial Reporting Standards

Time : 3 Hours

Max. Marks : 70

**Instruction :** Answers should be written either in **English** or **Kannada**.

SECTION – A

Answer **any five** sub-questions from the following. **Each** sub-question carries **2 marks**. (5×2=10)

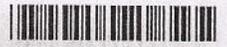
1. a) Mention 2 objectives of I.F.R.S.
- b) Expand I.A.S.B. and G.A.A.P.
- c) What is investment property as per Ind AS – 40 ?
- d) What are Govt. Grants ?
- e) What do you mean by the term inventories ?
- f) Give the meaning of events after the reporting period.
- g) What are accounting policies ?

SECTION – B

Answer **any 3** of the following, **each** question carries **6 marks**. (3×6=18)

2. Briefly explain the merits of I.F.R.S.
3. Mention the list of close members of the family as per Ind AS-24.
4. Veena Traders purchased a plant from Sujay Ltd. 30-9-2015 with a quoted price of Rs. 200 lakhs. Sujay Ltd. offer 3 months credit with a condition that discount of 1.5% will be allowed if the payment were made with in one month. VAT is 14% on the quoted price. Company incurred 2% on transportation cost and 3% on erection cost of the quoted price. Pre operative cost amounted to Rs. 2 lakhs. Estimated life of the plant is 8 years. Residual value of the plant 20 lakhs.
  - a) Calculate the original cost of the plant.
  - b) Carrying amount of the plant on 31-3-2016.

P.T.O.



5. You are given the following extracts of Ledger Balances taken from Shankar Ltd. for the year ending 31-3-2016 prepare a statement of P/L.

Revenue from operations	98,000
Other income	2,000
Advertising	5,250
Salaries	27,000
Depreciation	2,800
Insurance	1,000
Interest on debentures	1,000
Preliminary exp. written off	1,000
Bad debts	500
Discount	500
Printing and stationery	1,000
Cost of materials consumed	25,000

6. H Ltd. acquired 75% of the shares of 'S' Ltd. on 31-7-15 and earned a profit of Rs. 67,500 for the year ending 31-3-2016.

The face value of shares of 'S' Ltd. is Rs. 10 per share.

The 'S' Ltd. had a balance of Rs. 82,500 in P/L A/c as on 31-3-2016 and Rs. 1,05,000 in General Reserve.

Calculate the non controlling interest.

### SECTION - C

Answer **any three** of the following, **each** question carries **14** marks. (3×14=42)

7. A) Briefly explain the scope, recognition criteria and disclosure requirements of provisions and contingent liabilities as per Ind AS - 37.  
B) Give the list of any 15 Ind AS issued by ministry of corporate affairs.
8. A) What is a interim financial report ? What are disclosure requirements ?  
B) Briefly explain the scope and disclosure requirements of Intangible assets as per Ind AS - 38.
9. A) From the following Trial Balance of Reddy prepare statement of financial position of the company as on 31-3-2016.

Debit	Rs.	Credit	Rs.
Cash at bank	1,50,000	Equity share capital	2,50,000
Non current assets	1,00,000	Reserves and surplus	50,000
Non current investments	50,000	Non-current liabilities	4,00,000
Land and building	4,00,000	Current liabilities	1,00,000
Furniture	1,00,000	Staff provident fund	1,00,000



Office equipment	50,000	Deposits from public	1,00,000
Goodwill	1,00,000	Preference capital	2,50,000
Stock	2,00,000		
Trade receivables	1,00,000		
	<b>12,50,000</b>		<b>12,50,000</b>

B) Calculate the Non-controlling interest from the following :  
 Geetha Ltd. acquired 75% of equity shares in Seetha Ltd. on 1-7-2015. The following balances are extracted from the financial position of Seetha Ltd. as on 31-3-2016.

- 1) Share Capital  
20000 equity shares of Rs. 10 each
- 2) Balances as on 1-4-2015
 

General Reserve	70,000
Profit and Loss A/c	55,000
- 3) Net profit for the year  
ending 31.3.2016 Rs. 45,000

10. A) From the following balances of Kumar Co. Ltd. as on 31-3-2016, prepare a statement of P/L.

	Rs.
Interest on Debentures	32,400
Travelling Expenses	15,000
Delivery Van Expenses	5,000
Bad debts	6,000
Discount	7,000
Purchases	3,15,000
Opening stock	75,000
Freight charges	8,000
Depreciation	25,000
Insurance	5,000
Commission Received	7,500
Sales	6,50,000
Share Transfer Fees	5,000

B) Ashok Ltd. took a loan of Euros 5000 on 1<sup>st</sup> April 2015 for the purpose of setting up a new subsidiary. The company took a loan at an interest rate of 5% p.a. payable annually. On 1 April 2015 the exchange rate was determined at Rs. 60 per Euro. The exchange rate on 31-3-2016 stood at Rs. 65 per Euro. The amount corresponding could have also been borrowed at 12% p.a. in the local currency on 1-4-2015.

**Calculate :**

- a) Borrowing cost.
- b) Increase in the liability towards the principal amount.
- c) Exchange rate difference accounted.



11. A) Ravi Ltd. purchased a equipment for its company the price paid for the equipment is 2,50,000 inclusive of value added tax of Rs. 60,000. The entity gets a credit of VAT while calculating the tax payable on the finished goods sold.

Additional cost incurred are

Freight Rs. 10,000 customs duty Rs. 8,000

Installation Expenses of Rs. 5,000

The estimate of dismantling and removing the item would be Rs. 5,000

After the equipment was put to use Rs. 5,000 was spent on cleaning the spare parts.

Calculate the cost of the asset according to Ind AS - 16.

- B) Sri Ram Ltd. purchased a machine costing Rs. 40,00,000 on 10-01-2015. The company received grants from the govt. to the extent of 50% of the assets cost. The products are to be supplied to the govt. upto the extent of 50% of the production and at a price which is 20% below the average market price.

**Average market price of  
the product**

Year	Price
2015	37.5
2016	40
2017	42.5
2018	45
2019	47.5

**The capacity utilisation of the  
machine in %**

Year	% capacity utilisation
2015	50%
2016	50%
2017	60%
2018	70%
2019	80%

The production capacity is 1 lakh units per annum.

Calculate the (a) Revenue subsidy (b) Gain from grants.