



III Semester M.Com. Degree Examination, March/April 2025

(CBCS)

(2021 – 22 Onwards)

COMMERCE

3.3 (A & T) : Corporate Reporting Practices – I



Time : 3 Hours

Max. Marks : 70

SECTION – A

Answer **any seven** questions out of ten. **Each** question carries **two** marks. (7×2=14)

1. a) Differentiate between Financial Capital Maintenance and Physical Capital Maintenance.
- b) Why Ind AS are required ?
- c) What are adjusting events as per Ind AS 10 ?
- d) Define Government Assistance as per Ind AS 20.
- e) What are First Ind AS Financial Statements as per Ind AS 101 ?
- f) What is Vesting Condition as per Ind AS 102 ?
- g) What are components of Cost of Inventories as per Ind AS 2 ?
- h) State the concept of Performance Obligation.
- i) What is Level 1 inputs under Fair value Hierarchy ?
- j) State any three examples of Investment Property.

SECTION – B

Answer **any four** questions out of six. **Each** question carries **five** marks. (4×5=20)

2. Explain the underlying assumptions of Financial Statements.
3. Explain the need and importance of Indian Accounting Standards.
4. Briefly explain the steps in identification and quantifying the amount of provision as per Ind AS 37.

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5. A firm (Dealer of Computers) has purchased 100 computers on deferred payment basis for Rs. 5,000 per month per computer. The amount is to be paid in twelve monthly equal instalments. The cash cost per unit of computer is Rs. 56,000. At the end of the year, 25 computers were in stock. What should be the cost of inventories as per Ind AS 2 ?
6. An asset does not meet the requirements of environment laws which have been recently enacted. The asset has to be destroyed as per the law. The asset is carried in the Balance Sheet at the year end at Rs. 6,00,000. The estimated cost of destroying the Asset is Rs. 70,000. How is the asset to be accounted for as per Ind AS 36 ?
7. Equidator company is showing an intangible Asset at Rs. 44 lakhs as on 1<sup>st</sup> April. This asset was acquired for Rs. 60 lakhs four years back, and the same was available for use from that date. The company has been following the policy of amortization of the Intangible Assets over a period of 15 years on SLM basis. Comment on the above accounting treatment as per Ind AS 38.

### SECTION – C

Answer **any two** questions out of four. **Each** question carries **twelve** marks. (2×12=24)

8. Briefly explain the guidelines for selection and application of accounting policies and changes in accounting estimates as per Ind AS 8.
9. a) A shipping company is required by Law to bring all ships into dry dock every five years for a major inspection and overhaul. A ship which cost Rs. 20 million with a 20-year life must have major overhaul every five years. The estimated cost of the overhaul at the five-year point is Rs. 5 million. Compute depreciation charge for first 5 years. If the actual overhaul costs incurred at the end of year 5 are Rs. 6 million, find the depreciation charge for first 5 years.
- b) Shreematha Ltd. acquired Patent Right for Rs. 400 lakhs. The Product Life Cycle has been estimated to be 5 years and the amortization was decided in the ratio of estimated future cash flows which are as under –

Year	1	2	3	4	5
Estimated future cash flow (Rs. in Lakhs)	200	200	200	100	100

After the 3<sup>rd</sup> year, it was ascertained that the Patent would have an estimated balance future life of 3 years and the estimated cash flow after 5<sup>th</sup> year is expected to be Rs. 50 lakhs each year. Determine the amortization under Ind AS 38.



10. a) Epson Company Limited obtained a loan of Rs. 92,00,000 on 15<sup>th</sup> April 2022 from a Nationalized Bank, to be utilized as under :

i) Construction of factory shed	Rs. 32,00,000
ii) Purchase of machinery	Rs. 28,00,000
iii) Working capital	Rs. 18,00,000
iv) Advance for purchase of truck	Rs. 14,00,000

In March 2023, construction of the factory shed was completed and machinery which was ready for its intended use installed. Delivery of truck was received in the next financial year. Total interest Rs. 11,96,000 charged by the bank for the financial year ending 31-03-2023. Show the treatment of interest under Ind AS 23.

- b) Explain the disclosure requirements of investment property as per Ind AS 40.
11. a) Pragnanand Ltd. leased a machinery to Bansal Limited on the following terms :

Fair value of the machine	Rs. 48.00 lakhs
Lease term	5 years
Lease rental per annum	Rs. 8.00 lakhs
Guaranteed residual value	Rs. 1.60 lakhs
Expected residual value	Rs. 3.00 lakhs
Internal rate of return	15%

Discount rate for 1<sup>st</sup> to 5<sup>th</sup> year are 0.8696, 0.7561, 0.6575, 0.5718 and 0.4972 respectively. Ascertain unearned finance income.

- b) What is meant by transaction price ? Explain the factors to be considered while determining the Transaction Price as per Ind AS 115.

#### SECTION – D

Answer the following question :

(1×12=12)

12. What are Share Based Payment Transactions ? Discuss the recognition and measurement of Equity settled and Cash settled share based payment transactions as per Ind AS 102.