

**Sixth Semester B.Com. Degree Examination, May/June, 2025**  
**(CBCS NEP Scheme)**  
**COMMERCE**

**(NCF 0240) Indian Accounting Standard - II**

Time : 2 Hours

Max. Marks : 60

**Instructions to students:**

1. The students should legibly write section number along with question numbers.
2. The answers without section number and question numbers will not be valued.
3. Section - I Multiple choice questions should be answered in the first page of main answer book and some questions shall not be answered repeatedly.
4. Any identifications like marking, ticking, dots etc., in the options of MCQ Questions (Section-I) on the question paper is strictly prohibited. Do not write anything (except register number) on the question paper.

**SECTION - I**

**I. Select the most appropriate answer from the options provided.**

**ONE mark each.**

**(10x1=10)**

- I-1. Which of the following Ind-As deals with Fair Value Measurement.  
 a) 104      b) 113      c) 115      d) 230
- I-2. According to Ind-AS 19 What are the three main categories of employee benefits.  
 a) Monetary benefits, non-monetary benefits & social benefits  
 b) Retirement benefits, bonuses and profit sharing  
 c) Health benefits, compensation benefits and fringe benefits  
 d) Short term benefits, post employment benefits & other long term benefits
- I-3. Non-controlling interest includes  
 a) Share in share capital      b) Share in capital profit  
 c) Share in revenue profit      d) All of the above
- I-4. Ind - AS 101 explains.  
 a) First time adoption of Ind AS b) Share based payment  
 c) Financial instruments      d) None of these
- I-5. The information is provided by ABC Co. Ltd. for the year 2022-23 is the Weighted Average Number of ordinary share is 8,35,833 and the profit to ordinary shareholder is Rs. 11,85,000. What is the Basic EPS (Earning per share)?  
 a) 0.70      b) 1.42      c) 1.52      d) None of these
- I-6. The carrying amount of machinery is Rs. 5,00,000. Sales value is at Rs. 8,00,000 and present vale of lease payment is Rs. 5,00,000. What would be the right use of Asset as per Ind AS 116.  
 a) 3,12,500      b) 8,00,000      c) 5,00,000      d) None of these
- I-7. XYZ Co. Ltd. decided to distribute 2% profit to its Existing employees if profit of the exceed is 25,00,000 during the year 2022-23. The profit earned by the company during the year 2022-23 was Rs. 32,00,000. What would be the employee benefits.  
 a) 14,000      b) 50,000      c) 64,000      d) 1,14,000

I-8. In MN Company Ltd. company N is the minority company its share of share capital is Rs. 1,00,000, its share of capital profit is Rs. 25,000 and its share of revenue loss is Rs. 10,000 then what is the non-controlling interest?  
a) 65,000      b) 1,35,000      c) 1,10,000      d) 1,15,000

I-9. PQR Ltd. Company owns an Asset in Karnataka Market its volume of Market Units is 40,00,000. Its cost price Rs. 1,330. Cost of entering market is Rs. 140 and transaction cost Rs. 70, then what is the net proceeds cost.  
a) 1540      b) 1120      c) 1190      d) 1400

I-10. The stock of Holding Company Ltd. includes goods worth Rs. 30,000 supplied by Minority Company at cost plus 25% profit. What would be the unrealised stock of profit?  
a) 7,500      b) 5,000      c) 6,000      d) 10,000

## **SECTION - II**

**II. Answer any FIVE of the following questions, THREE marks each. (5x3=15)**

II-1. Define Accounting Policies as per Ind AS 8.

II-2. Explain the scope of Financial instruments, presentation as per Ind AS 32.

II-3. Mention the objectives of Fair Value Measurement as per Ind AS 113.

II-4. Surya Ltd. practices distribution of 3% profit to all the employees of an organization every year, but during the year 2022-23. Company expected to distribute only 2.5% of profit as bonus to its employees. The profit earned during 2022-23 was Rs. 48,00,000.  
Determine the total employee benefits cost as per Ind AS 19.

II-5. Moon Ltd. entered into a contract of lease with Bhoomi Ltd. on 01/01/2022. With the following information:  
Annual Lease Payment : Rs. 1,00,000  
Lease period : 5 Years  
Discount factor for 5 years is 3.79 @ 10% rate  
Compute the lease liability & pass the entry in the books of Lessee as per Ind AS 116.

II-6. A Ltd. acquired 60% shares of B Ltd. on 1.10.2022. The following information is available as on 31.03.2023 in respect of B Ltd.  
1. Share capital : 1,00,000 Equity shares of Rs. 10 each  
2. General reserve as on 1.4.2022 Rs. 50,000  
3. Profit & Loss A/c. (Cr.) as on 1.4.2022 Rs. 40,000  
4. Net profit for the year ended 31.03.2023 Rs. 80,000  
Calculate Non-controlling interest.

II-7. Queen Ltd. had a share capital of 2,00,000 shares of Rs. 10 each at 1.4.2022. On 30.11.2022 Queen Ltd. made a bonus issue of 40,000 shares. Earnings in 2022-23 were Rs. 25,000. Calculate the Basic EPS as per Ind AS 33.

II-8. From the following information calculate capital reserve or goodwill of the Holding company as per Ind AS 110.  
1. Market value of investment in shares Rs. 2,50,000.  
2. Face value of the shares of H Co. is Rs. 2,10,000  
3. Share of revenue profit of H Co. is Rs. 50,000  
4. Share of capital profit of H Co. is Rs. 30,000

## SECTION - III

**III. Answer any THREE on the following, FIVE marks each.** (3x5=15)

III-1. Explain the Revenue recognition model prescribed by Ind AS 115. Revenue from contracts with customer?

III-2. State the scope and recognition of Ind AS 20.

III-3. AB CO. Ltd. incurred the following short term employee benefits for the year ending 31.03.2023.

1. Paid Rs. 10,00,000 to the employees who are involved in the administration work.
2. Paid advanced of Rs. 5,00,000 to employees.
3. Company hold the payment of Rs. 3,00,000 relates to 2 employees due to some technical reasons.
4. Paid Rs. 20,00,000 wages to the workers who are directly involved in the production.
5. Paid Rs. 15,00,000 to the workers who are engaged in the construction of plant.

Show the accounting treatment for above employee benefits accordance to Ind - AS 19.

III-4. On 1st January, 2023 Chandra entered into an agreement to lease new machinery under a 5 years lease with Rs. 3,00,000 payable on 31st December each year. The interest rate implicit in the lease is 6% and the present value of the Lease payments is Rs. 12,63,000.

Find out Lease Liability for 5 years.

III-5. India Ltd. acquired 60% of the Equity Shares of Karnataka Ltd. on 1.8.2022. On that date paid up capital of Karnataka Ltd. was 30,000 Equity shares of Rs. 10 each, Accumulated Reserve balance was Rs. 3,20,000. India Ltd. paid Rs. 4,50,000 to acquire 60% interest in the Karnataka Ltd. were revalued on 1.8.2022 and a revaluation loss of Rs. 20,000 was ascertained.

Calculate the value of Goodwill or Capital Reserve 2022-23.

## SECTION - IV

**IV. Answer the following questions. TEN marks each.** (2x10=20)

IV-1. Explain the scope, objective and calculation of share based payments as per Ind AS 102.

OR

The following information is provided by Udaya Ltd. for the year 2022-23. Calculate Basic EPS Ind AS 33.

Date	Particulars	Ordinary Shares	Treasury Shares	15% Pref. Shares (Rs.10 each)
1.4.2022	Opening outstanding shares	10,00,000	2,00,000	3,00,000
30.4.2022	10% Bonus issue (No. corresponding charges in resources)	1,00,000	20,000	-

31.5.2022	Re-purchase of shares for cash	-	1,30,000	-
1.11.2022	Shares issued for cash	1,50,000	-	-
1.2.2023	Further shares issued for cash	50,000	-	-

Additional information:

1. Profit for the year is Rs. 15,00,000.
2. Dividends on cumulative preference shares are deductible for tax purposes.

The applicable income tax rate is 30%.

IV-2. Write note on:

- (i) Level of fair value hierarchy as per Ind AS 107.
- (ii) Scope and disclosure of Ind AS 101.

OR

From the following Balance Sheet of PQ Ltd. as on 31.03.2023.

Capital & Liabilities	Amount Rs.	Assets & Properties	Amount Rs.
I. Shareholder Fund		I. Non-Current Assets	
Equity share capital (Rs. 100 per share)	25,00,000	(a) Tangible Assets	
II. Reserve & Surplus		Furniture	8,50,000
Profit & Loss A/c.	8,00,000	Premises	6,50,000
General Reserve	2,00,000	Computers	5,00,000
III. Non-current liabilities		(b) Intangible assets	
Bonds	9,50,000	Copy rights	4,50,000
12% Debentures	6,00,000	License & Franchise	2,00,000
Borrowings	2,50,000	II. Loans & Advances	14,00,000
IV. Current Liabilities		III. Current Assets	
Creditors	2,50,000	Stock	2,50,000
Bills payable	1,00,000	Cash	2,00,000
		Trade Receivables	2,50,000
		Draft on hand	3,00,000
		IV. Other Current Assets	6,00,000
<b>TOTAL</b>	<b>56,50,000</b>	<b>TOTAL</b>	<b>56,50,000</b>

Adjustments:

1. XY Ltd acquired 80% of shares in 'PQ' Ltd. on 1.6.2022. On that date profits & loss a/c. of PQ Ltd. stood at Rs. 2,40,000 and General Reserve of Rs. 1,60,000.
2. Fair Value of Furniture Rs. 8,00,000 and computers is Rs. 6,00,000 which are to be brought into books for calculations of interest of parties. Depreciation is to be ignored.
3. Premises are undervalued by Rs. 50,000.
4. Holding company 'XY' Ltd. invested in shares of Minority Co. PQ Ltd. Rs. 22,00,000.

Calculate NCI and Goodwill or Capital Reserve as per Ind AS 110.

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