

**V Semester B.Com. Examination, February/March 2024  
(NEP) (Freshers)  
COMMERCE**

**DSE A1 : Indian Accounting Standards – I (Elective)**

Time : 2½ Hours

Max. Marks : 60

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

**SECTION – A**

Answer **any 6** sub-questions. **Each** sub-question carries **two** marks : **(6×2=12)**

1. a) Expand I.A.S.B. and G.A.A.P.
- b) What is IFRS ?
- c) What do you mean by the term inventories ?
- d) What do you mean by impairment of assets ?
- e) Give two examples to investment property.
- f) Write any 4 examples for short term employee benefits.
- g) What is current asset ?
- h) What are non-current assets ? Give two examples.

**SECTION – B**

Answer **any three** of the following. **Each** question carries **4** marks : **(3×4=12)**

2. Explain the features of IFRS.
3. X Ltd. obtained a loan of ₹ 60,00,000 on 1<sup>st</sup> April 2022 from Vijaya Bank, to be capitalised as under :  
Construction of company building ₹ 20,00,000  
Purchase of plant and machinery ₹ 15,00,000  
Working capital required ₹ 10,00,000  
Purchase of vehicle ₹ 15,00,000  
In March 2023, construction of company building was completed and plant and machinery was ready for its intended use. The total interest charged by Vijaya Bank for the financial year ending 31<sup>st</sup> March, 2023 was ₹ 7,20,000. How do you treat the total interest charged on loan ?



4. Briefly explain the different types of employee benefits as per Ind As-19.
5. Bharath Ltd. sells membership for ₹ 15,000 per year 100 customers, with an option to renew at a discount in 2<sup>nd</sup> and 3<sup>rd</sup> years at ₹ 12,000 per year. Bharath Ltd. estimates an annual attrition rate of 50% each year.

Determine the amount of revenue to be recognised in the first year and the amount of contract liability against the option given to the customer for renewing the membership at discount.

6. From the following particulars of M/S Ravinandan Ltd., prepare a statement of profit and loss A/c for the year ended 31<sup>st</sup> March, 2023 as per Ind AS-1.

	₹
Revenue from operations	1,00,000
Printing and stationery	2,000
Advertisement	4,000
Salaries and allowances	6,000
Interest on long term loans	4,500
Goodwill written off	1,500
Materials consumed	35,000
Discount allowed	1,000
Interest on investment received	1,500
Depreciation on fixed assets	2,000

### SECTION – C

Answer **any three** questions of the following. **Each** question carries **12** marks :

**(3×12=36)**

7. A) Explain the benefits of Accounting Standards.
- B) Explain the limitations of Accounting Standards.





8. A) Teja traders purchased a plant from R Ltd. on 30-9-2022 with a quoted price of ₹ 200 lakhs. R Ltd. offered a trade discount of 1.5% and GST payable is 12% on the quoted price. Teja traders incurred 2% on transportation cost and 3% on erection cost of the quoted price. Pre-operative cost amounted to ₹ 2 lakhs. Estimated life of the plant is 8 years. Residual value of the plant ₹ 20 lakhs.

- i) Calculate the original cost of the plant.
- ii) Calculate depreciation for first year (SLM).

B) Tarun Co. has a machine that originally cost ₹ 35,00,000 with accumulated depreciation of ₹ 5,00,000. The market value of the machine is ₹ 30,00,000, the cost of dismantling is ₹ 1,00,000 and the direct selling costs are ₹ 2,00,000. The value in use as determined by management is ₹ 27,50,000. The remaining estimated life of the machine is 5 years and estimated residual value at the end of the life of machine is ₹ 2,50,000.

- i) Calculate impairment loss for the machine.
- ii) Calculate the depreciation charge on the machine after the impairment loss has been recognised.

9. A) PQR Co. constructing power generation plant. This project requires totally ₹ 12 crores, which are raised as follows :

- a) ₹ 4 crores from IFCI for 10 years @ 11% interest rate.
- b) ₹ 2 crores of loan from HDFC bank for 6 years @ 10% interest rate.
- c) ₹ 2 crores of loan from SBI bank for 4 years at 12% interest rate.
- d) ₹ 3 crores from 10% debentures for 5 years at 5% discount.
- e) ₹ 1 crore as overdraft from Corporation bank @ 4% interest rate.
- f) Out of total borrowed fund ₹ 5 crores are kept in HUDCO bank as short term deposit for 6 months @ 5% rate of interest.
- g) IFCI bank loan is borrowed through consultation and the consultancy charges are 2% of total loan amount.

Calculate total borrowing cost in accordance with Ind AS-23.



B) Pujara Ltd. incurred the following short-term employee benefits for the year ending 31<sup>st</sup> March 2023.

- i) Paid ₹ 10,00,000 to the employees who involved in the administration work.
- ii) Paid advances of ₹ 5,00,000 to employees.
- iii) Company hold the payment of ₹ 3,00,000 relates to 2 employees due to some technical reasons.
- iv) Paid ₹ 20,00,000 wages to the workers who are directly involved in the production.
- v) Paid ₹ 15,00,000 to the workers who are engaged in the construction of plant.

Show the accounting treatment for the above employee benefits according to Ind AS-19 for the year ended 31<sup>st</sup> March 2023.

10. A) Monika Ltd. is engaged in manufacturing and selling of designer furniture. It sells goods on extended credit. Monika Ltd. sold furniture for ₹ 40,00,000 to a customer the payment against which was receivable after 12 months with interest at the rate of 3% p.a. The market interest rate on the date of transaction was 8% p.a.

How will Monika Ltd. recognise and present revenue for the above transaction accordance to Ind AS-115 ?

- B) Calculate cost of wine accordance to Ind AS-2 from the following information :

Particulars	Amount(₹)
Cost of Grape	3,85,000
Purchase of other raw material	1,80,000
Freight inward	72,850
Labour charges	2,55,835
Purchase of storage drum (it cannot be re-used)	1,85,000
Storage cost of ageing of wine	1,38,750
Salary paid to managing director	8,25,000
Salary to marketing manager	3,85,000
Salary to wine tester	2,50,000
Charge for display of wine in outlet	18,620





11. A) Prepare a statement of profit and loss account for the year ended 31<sup>st</sup> March 2023 as per Ind AS-1.

	₹
Sales	16,00,000
Purchase of raw materials	7,00,000
Commission received	3,00,000
Carriage inwards	1,00,000
Return outwards	40,000
Opening stock of raw materials	1,80,000
Closing stock of raw materials	1,00,000
Rent received	40,000
Salaries to employees	2,00,000
P.F. contribution to employees	50,000
Interest on Bank loan	30,000
Interest on debentures	30,000
Sundry expenses	10,000
Depreciation	40,000
Income tax paid	75,000
Excise duty	50,000
Consumables	80,000
Factory expenses	60,000

- B) From the following prepare a statement of financial position on 31<sup>st</sup> March 2023 as per Ind AS-1.

Debit	₹	Credit	₹
Tangible assets	12,00,000	Equity share	
Intangible assets	4,00,000	Capital	10,00,000
Current investments	4,00,000	General reserve	6,00,000
Other non-current investments	4,00,000	P&L A/c	6,00,000
Trade receivables	5,00,000	Non-current liabilities	10,00,000
Stock	8,00,000	Current liabilities	7,00,000
Cash	2,00,000		
	<b>39,00,000</b>		<b>39,00,000</b>