



NP – 329

V Semester B.Com. Examination, January/February 2025
(NEP) (Freshers/Repeaters)

COMMERCE

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

Time : 2½ Hours

Max. Marks : 60

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

SECTION – A

1. Answer **any six** sub-questions, **each** sub-question carries **2** marks. (6×2=12)

- Define Ind Accounting Standards.
- What is PPE as per Ind AS-16 ?
- What is transaction price ?
- Expand MCA and ICAI.
- Give the meaning of borrowing cost as per Ind AS-23.
- Mention any four Non-current Assets.
- Mention fundamental assumptions as per the Ind AS.
- Define benefit plans. Give two examples.



SECTION – B

Answer **any three** questions, **each** question carries **4** marks. (3×4=12)

- Explain the objectives of Accounting Standards.
- Chandra Associates ordered a laptop in flipkart. The price of laptop is ₹ 1,20,000, allowed 10% discount at time of purchase and charged 18% GST which is not refundable. Shipping charges ₹ 1,500, installation charges ₹ 4,000 and annual service charges ₹ 8,000. Calculate the initial cost of Laptop as per Ind AS-16.
- Calculate other comprehensive income of ABC Ltd. as per Ind AS-1 for the year ended 31st March 2024 from the following details.

Particulars	Amount ₹
Net profit	20,00,000
Dividend received	1,20,000
Unrealized loss from foreign currency translation	10,000



Dividend paid	2,00,000
Unrealized gain from cash flow hedge	60,000
Unrealized loss from securities measured under fair value through profit or loss	20,000
Realized gain on sale of land	1,30,000

5. Super entity, a software developer, enters into a contract with a customer to transfer a software license, perform an installation service and provide unspecified software updates and technical support for a two-years. The entity sells the license, installation service and technical support separately. The installation service includes changing the web screen for each type of user. The software remains functional without the updates and the technical support. Determine how many performance obligations does the entity have as per Ind AS-115 ?
6. ABC Ltd. is carrying out an impairment review of machinery on 31st Dec. 2021. The carrying amount of the machinery is ₹ 2,00,000, if it is sold at present; it can fetch up to ₹ 1,40,000. Budgeted net cash flows to be generated from the machinery for the next three years has been provided by the marketing department.

2022	₹ 70,000
2023	₹ 60,000
2024	₹ 50,000

Current cost of capital is 10%. (Discount factor at 10% is year 1 – 0.909, year 2 – 0.826, year 3 – 0.751) Calculate impairment loss as per Ind AS-36.

SECTION – C

Answer **any three** questions, **each** question carries **12** marks.

(3×12=36)

7. A) Explain the opportunities and challenges faced by India in implementing Ind AS.
B) List out any six Ind AS issued by ICAI.
8. A) Reddy Pharma ordered 24,000 kg. of certain material at ₹ 80 per unit. The purchase price includes GST of 5% which is non-refundable. Freight incurred amounted to ₹ 76,000. The company actually received 23,600 kg. and consumed 22,500 kg. of material.
Compute cost of an inventory under Ind AS-2.

B) From the following details of Bharath Ltd. prepare Statement of Profit and Loss for the year ended 31st March 2024. As per Ind AS-1.

Particulars	Amount (₹)
Sales	4,00,000
Purchases of stock in trade	2,45,000
Rent received	40,000
Commission received	20,000
Changes in inventory	40,000
Changes in WIP	5,000
Finance cost	10,000
Employees benefit	20,000
Depreciation on tangible assets	30,000
Other expenses	40,000
Income tax expenses	12,000
GST	10,000

9. A) Sundar Furniture Ltd. (SFL) is engaged in manufacturing and selling of designer furniture. It sells goods on extended credit. SFL sold furniture for ₹ 80,00,000 to a customer, the payment against which was receivable after 12 months with interest at the rate of 3% PA. The market interest rate on the date of transaction was 8% PA. How will SFL recognize and present revenue for the above transaction accordance to Ind As-115 ?

B) From the following trial Balance of SS Mineral Ltd. for the year 31st March 2024.

Particulars	Debit (₹)	Credit (₹)
Equity share capital	—	10,00,000
Capital Reserve	—	1,00,000
Non-current Liability	—	16,00,000
Profit and Loss A/c	—	80,000
Current Liabilities	—	12,00,000

Tangible Assets (PPE)	16,00,000	—
Intangible Assets	6,00,000	—
Current Investments	2,00,000	—
Inventories	1,80,000	—
Other Non-current Assets	4,00,000	—
Trade Receivable	2,00,000	—
Cash and Cash Equivalents	8,00,000	—
Total	39,80,000	39,80,000

Prepare Statement of financial position as on 31st March 2024 as per Ind AS-1.

10. A) Simponi Ltd. on 1st April, 2023 borrowed 9% 60,00,000 to finance the construction of two qualifying assets, construction started on 1st April 2023. The loan facility was availed on 1st April, 2023 and the fund was utilized given in the below table. The remaining funds invested temporarily in a bank at 7% rate of interest. Calculate the cost of the asset and the borrowing cost to be capitalized.

Fund utilized	Factory Building	Office Building
1 st April, 2023	10,00,000	20,00,000
1 st October, 2023	10,00,000	20,00,000

- B) Mr. Rajan is working of Infotech Ltd. consider the following particulars.

Annual salary of Mr. Rajan = ₹ 60,00,000

Total working days in 2023-24 = 300 days

Leaves allowed in 2023-24 as per company policy = 10 days

Leaves utilized by Mr. Rajan in 2023-24 = 8 days

The unutilized leaves are settled by way cash payment and accordingly, carry forward such leaves to the subsequent period is not allowed.

Compute the total employee benefit expense for the Infotech Ltd. in respect of 2023-24 as Ind AS-19.



1. A) X Ltd. incurred the following short-term employees benefits for the year ending 31st March 2024.

- a) Paid ₹ 10,00,000 to the employees who are involved in the administration work.
- b) Paid advance of ₹ 5,00,000 to employees.
- c) Company holds the payment of ₹ 3,00,000 relates to 2 employees due to some technical reasons.
- d) Paid ₹ 20,00,000 wages to the workers who are directly involved in the production.
- e) Paid ₹ 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 for the year ended 31st March 2024.

B) On 1st April 2023, AK Ltd. began the construction of a new factory. The cost relating to the factory incurred in the year ended 31-3-2024 was as follows.

- a) Cost of the land purchased ₹ 5,00,00,000.
- b) Cost of dismantling structure on the site (Demolition Cost) ₹ 25,00,000.
- c) Material consumed to construct the factory ₹ 10,00,00,000.
- d) Employment cost up to 31st December 2023 (relating to construction and related activities) ₹ 8,00,00,000.
- e) Other cost directly related to construction ₹ 10,00,000.
- f) General administrative overheads (not involved in construction) ₹ 30,00,000.
- g) Architect and consultants fees related to construction ₹ 5,00,000.
- h) Cost of relocating staff who are to work at the factory ₹ 3,00,000.
- i) Cost relating to formal opening of the factory ₹ 5,00,000.

The construction of the factory ended on 30th November 2023 and it was bought into use on 31st December 2023. What will be the initial carrying value (or) original cost of the factory building ? As per Ind AS-16.