NP – 913

VI Semester B.Com. Examination, June/July 2026
(NEP)
COMMERCE
DSE – A2 : Indian Accounting Standards – II

Time : 2½ Hours Max. Marks : 60

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

SECTION – A

Answer **any six** sub-questions out of eight. **Each** sub-question carries **2** marks. **(6×2=12)**

1. a) What are accounting policies ?

   b) Write the meaning of close members of the family.

   c) What is non-controlling interest ?

   d) State the meaning of temporary difference according to Ind AS 12.

   e) What are financial instruments ?

   f) Give four examples of financial liabilities.

   g) What is deferred tax liability ?

   h) What is joint venture ?

SECTION – B

Answer **any three** questions out of five. **Each** question carries **4** marks. **(3×4=12)**

2. Write a brief note on objectives and scope of related party disclosure in accordance with Ind AS 24.

P.T.O.

3. Calculate non-controlling interest from the following.

Mukunda Ltd. acquired 75% of equity shares in Kumar Ltd. on 1-7-2024. The following balances are extracted from the financial position of Kumar Ltd. as on 31-3-2025.

a) Share capital : 40,000 equity shares of ₹ 10 each.

b) Balances as on 1-4-2024 :

General reserve ₹ 1,40,000

Profit and loss A/c ₹ 1,10,000.

c) Net profit for the year ending 31-3-2025 ₹ 90,000.

4. Rama Ltd., acquired all the ordinary shares of Chandra Ltd. for ₹ 8,00,000 on 31-3-2024 and drafted statement of financial position as on the same date was as follows :

	₹
Current Assets	6,00,000
	6,00,000
Equity :	
1,00,000 ordinary shares of ₹ 5 each	5,00,000
Retained earnings	1,00,000
	6,00,000

Calculate goodwill as per Ind AS 103.

5. ABC Co. purchased a machinery costing ₹ 1,00,000. Estimated life of machinery : 10 years, profit before depreciation is ₹ 1,50,000. Depreciation rate as per income tax is 30% and the tax rate is 30%. Show the accounting treatment as per Ind AS 12.

6. On 1-4-2024 X Ltd. obtained interest free loan from its parent company Z Ltd.

   Amount of loan : ₹ 10,00,000

   Tenure of loan : 3 years

   Effective interest rate prevailing in the market is at 10% p.a.
   Using effective interest rate, explain the accounting treatment for such loan as per Ind AS 32.

SECTION – C

Answer **any three** questions of the following. **Each** question carries **12** marks.
(3×12=36)

7. A) Calculate non-controlling interest from the following. X Ltd. acquired 2,24,000 shares of ₹ 10 each in 'Y' Ltd. on 1-10-2024. The following balances are extracted from the Balance Sheet of 'Y' Ltd. as on 31-3-2025.

   a) Share capital : 2,80,000 shares of ₹ 10 each.

   b) General reserve (on 1-4-2024) ₹ 2,80,000.

   c) Profit and Loss A/c (on 1-4-2024) ₹ 4,48,000.

   d) Profit during the year 2024-25 ₹ 2,40,000.

   B) R Co. acquired 1,60,000 ordinary shares of S Co. for ₹ 30,00,000 on 1-1-2025. On that date the Balance Sheet of S Co. was as follows :

Particulars	**Amount (₹)**
Assets	
Sundry assets	28,00,000
	28,00,000
Equity and liabilities	
Share holders fund :	
Share capital : 2,00,000 shares of ₹ 10 each	20,00,000
Retained earnings	8,00,000
	28,00,000

   Calculate Goodwill of R Co.

8. Pankaj Ltd. acquired 70% shares of Krishna Ltd. on 1st April 2025 for ₹ 28,00,000. Individual financial statements of Pankaj Ltd. and Krishna Ltd. is as follows :

Particulars	**Pankaj Ltd.**	**Krishna Ltd.**
	(₹)	**(₹)**
Assets		
PPE	25,00,000	8,00,000
Intangible assets	10,00,000	4,00,000
Inventories	15,00,000	3,00,000
Receivables	5,00,000	5,00,000
Cash	55,00,000	4,00,000
Total	**1,10,00,000**	**24,00,000**
Equity and liabilities		
Equity	40,00,000	10,00,000
Other equity	20,00,000	4,00,000
Borrowings	30,00,000	6,00,000
Trade payables	20,00,000	4,00,000
Total	**1,10,00,000**	**24,00,000**

On acquisition date PPE is increased by 10% and intangible assets decreased by 5%.

You are required to prepare consolidated financial statement of Pankaj Ltd. accordance to Ind AS 110.

9. A) Briefly explain the disclosure requirements of changes in accounting policies under Ind AS 8.

B) What are the disclosure requirements of operating segments under Ind AS 108 ?

10. A) Lohith Ltd. purchased goods worth ₹ 5,00,000 during the year 2024-25 which was sold completely for ₹ 7,00,000 on both cash and credit basis. The cash sales was ₹ 3,00,000 and credit sales was ₹ 4,00,000. During the year ₹ 2,50,000 were received from debtors.

Calculate current tax liability and present in the accounting books as per Ind AS 12.

B)

Cost of Machinery	:	₹ 10,00,000
Estimated life of machinery	:	5 years
Profit before depreciation	:	₹ 1,50,000
Depreciation rate as per Income Tax	:	30%
Tax rate	:	30%

Measure and present Deferred Tax Liability as per Ind AS 12.

11. A) Mohan Ltd. issued 8%, ₹ 60,00,000 convertible loan note on 1-4-2022 at par, interest is payable in arrears on 31st March each year. The loan note is redeemable at par on 31st March 2025 or convertible into equity shares at the option of the loan note holders on the basis of 60 equity shares for each 200 of loan note, Mohan Ltd. Finance director has calculated that to issue an equivalent loan note without conversion rights, it would have to pay an interest rate of 10% p.a. to attract investors. Applicable discount rates are as follows :

Year	**Discount factor at 10%**
1	0.91
2	0.83
3	0.75

Split the loan between debt and equity at inception.

B) On 1st January 2022 Jayanth Co. purchases a debt instrument for its fair value of ₹ 2,000. The debt instrument is due to mature on 31st December 2026. The instrument has a principal amount of ₹ 2,500 and the instrument carries a fixed interest at 4.72% that is paid annually (The effective interest rate is 10%). How should Jayanth Co. account for the debt instrument over its five years term ?