

Roll No																			
---------	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--



PRESIDENCY UNIVERSITY

Presidency University Act, 2013 of the Karnataka Act No. 41 of 2013 | Established under Section 2(f) of UGC Act, 1956
Approved by AICTE, New Delhi | Approved By BCI
Bengaluru

Even Semester Mid Term, March 2026

Date: 13/03/2026

Time: 02:00 PM - 03:30 PM

Course Code: CBS1036

Course Name: International Financial Reporting

Semester: Second Semester

Max. Marks: 50

Weightage: 50%

CO - Levels	CO1	CO2	CO3	CO4
Marks	24	22	22	22

PART-A: Answer Following Questions. 10 M

Qn.No	Questions	M	CO	BT
1	Describe the purpose of the Income Statement.	2	CO1	BT2
2	Explain the reason for loss getting deducted from capital.	2	CO1	BT4
3	Give any two examples of methods used under output based revenue recognition over time as per the five-step approach.	2	CO2	BT1
4	Identify the inventory valuation method not allowed under IFRS.	2	CO3	BT1
5	Name the intangible asset that is not amortised.	2	CO4	BT1

PART-B: Answer Any 1 Following Questions. 10 M

Qn.No	Questions	M	CO	BT
6	Distiguish between performance obligations may be satisfied either over time or at a point in time while recognising revenue.	10	CO2	BT3
7	Katie has signed up and paid \$960 for a three-month introduction to cake decorating class at Bakers R. The class begins August 1. Bakers R has a September 30 year-end. 1) Show the journal entry for August 1. 2) Show the journal entry for September 30. 3) Calculate the amounts reflected in Bakers' financial	10	CO2	BT3

statements associated with the class.

PART-C: Answer Any 1 Following Questions. 10 M

Qn.No	Questions	M	CO	BT
8	<p>RW Company purchased 24,000 units of merchandise for \$5 a unit to be held as inventory. They later sold 20,000 units of inventory for \$8 per unit. The company use periodic inventory system.</p> <p>Solve the values for sales revenue, cost of goods sold and gross profit.</p>	10	CO3	BT3
9	<p>Harris Co. has several inventory shipments in process at year-end.</p> <ol style="list-style-type: none">1. \$55,000 of goods in transit from Emmons Corp., a supplier. The goods are shipped FOB destination.2. \$38,000 of goods in transit from Jones Co., a supplier. The goods are shipped FOB shipping point.3. \$15,800 of goods in transit to Dawson Inc., a customer. The goods are shipped FOB shipping point.4. \$25,680 of goods in transit to Mongeau Co., a customer. The goods are shipped FOB destination. <p>Required: Decide on the accounting treatment for each type of inventory to be recorded and solve the value of inventory to be included by Harris Co. in the ending inventory.</p>	10	CO3	BT3

PART-D: Answer Any 1 Following Questions. 10 M

Qn.No	Questions	M	CO	BT
10	<p>A machine costing \$10,000 had a scrap value of \$2,000 and usefule life of 4 years. Compute the depreciation for all 4 years based on sum of the yers digit method.</p>	10	CO4	BT3
11	<p>IFRS requires developmental costs to be capitalised as an intangible fixed asset provided all of the PIRATE criteria are met. Describe the PIRATE criteria for development costs.</p>	10	CO4	BT2

PART-E: Answer Any 1 Following Questions. 10 M

Qn.No	Questions	M	CO	BT
12	<p>Distinguish between gross profit, EBIT, EBT and EAT.</p>	10	CO1	BT2

13	Compare and contrast the presentation of assets and capital in a Balance Sheet with appropriate examples.	10	CO1	BT3
----	---	----	-----	-----