

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



**PRESIDENCY UNIVERSITY
BENGALURU**

SET A

**SCHOOL OF LAW
END TERM EXAMINATION - JAN 2024**

Semester : Semester III - 2022

Course Code : BCL2014

Course Name : International Accounting

Program : B.Com LLB Honors

Date : 05-JAN-2024

Time : 1:00 PM - 4:00 PM

Max Marks : 100

Weightage : 50%

Instructions:

- (i) Read all questions carefully and answer accordingly.
 - (ii) Question paper consists of 1 part.
 - (iii) Scientific and non-programmable calculator are permitted.
 - (iv) Do not write any information on the question paper other than Roll Number.
-

ANSWER ALL THE QUESTIONS

10 X 10M = 100M

1. Global accounting plays a pivotal role in fostering trust, transparency, and consistency across the international business environment. It functions as a crucial instrument for investors, companies, and regulatory bodies to navigate the complexities of global markets, while simultaneously promoting economic growth and efficiency. What do you mean international accounting? Could you elaborate the scope of its applicability and relevance in various contexts?
(CO1) [Comprehension]
2. Within the broader field of accounting, international accounting is a specific area. Its main goal is to ensure that standardized accounting principles are consistently applied, giving them the same weight whether they are used to manage financial records for a US-based corporation or to supervise the finances of a business that operates abroad. Elucidate the outline the key features of international accounting.
(CO1) [Comprehension]
3. A balance sheet is a financial statement that showcases a company's assets, liabilities, and shareholders' equity at a specific point in time. Elaborate on the following terms: (a) assets, (b) equity, and (c) liabilities in accordance with IAS 1 (Presentation of Financial Statements), and provide examples for each.
(CO2) [Comprehension]

4. The reporting of financial transactions involves a methodical process of documenting and presenting an entity's financial data. These reports act as indicators of the company's financial status and performance within a specified period. Describe the legal issues Japan Limited companies face in the field of financial reporting.

(CO2) [Comprehension]

5. From the Balance sheets given below calculate (a) Ratio (b) Capital Profit (c) Revenue Profit (4) Non - Controlling Interest(5) Goodwill Or Capital Reserve of X Co. Ltd as per IFRS 10 and its subsidiary Y Co. Ltd. It may be assumed that Profit and loss appropriation account of Y Co. Ltd is profit made before acquisition of shares by X Co. Ltd.

Particulars	X. Co. Ltd. Rs	Y Co. Ltd. Rs
I. EQUITY AND LIABILITIES		
1. Shareholders' funds		
a) Share capital		
2,00,000 shares of Rs 80 each	1,60,00,000	---
20,000 shares of Rs 80 each	---	16,00,000
b) Reserves and Surplus		
General Reserves	80,00,000	---
Profit and Loss appropriation account balance	16,00,000	24,00,000
2. Non-Current Liabilities		
	NIL	NIL
3. Current Liabilities		
Creditors	48,00,000	3,20,000
Total of Equity and Liabilities	3,04,00,000	43,20,000
II ASSETS		
1. Non-Current Assets		
L&B	1,52,00,000	---
P &M	22,40,000	3,20,000
Shares in Y co Ltd		
18,000 shares of 80 each	28,80,000	---
2. Current Assets		
Stock	48,00,000	8,00,000
Debtors	32,00,000	11,20,000
Cash at bank	20,80,000	20,80,000
Total of assets	3,04,00,000	43,20,000

(CO3) [Comprehension]

6. In the case of multinational corporations with operations in multiple countries, transfer pricing is vital for determining the prices at which transactions occur between different entities within the same corporate group. What is Transfer Pricing? Explain the objectives of Transfer Pricing.

(CO3) [Application]

7. Dealing with cross-currency transactions is important for several reasons, especially in the context of international business and finance. In international trade, businesses often deal with parties using different currencies. Managing cross-currency transactions is essential for pricing goods and services, invoicing, and settling payments across borders. (a) Explain the following terms (i) Ask Rate (ii) Bid rate.

(b) \$ 1=72.20 – ₹ 72.80

£1= \$ 1.30-\$ 1.35

Calculate:

1.

1. Amount of ₹ required to buy £ 500

2. Amount of ₹ obtained by selling £ 500

(CO4) [Application]

8. £1= \$ 1.35
\$1=₹ 74

Calculate :

- 1.
1. Amount of ₹ for £1 2,200
 2. Amount of \$ for 8,14000
 3. Amount of £ for \$ 3240
 4. Amount of £ for ₹70000

(CO4) [Application]

9. IFRS 13 *Fair Value Measurement* applies to IFRSs that require or permit fair value measurements or disclosures and provides a single IFRS framework for measuring fair value and requires disclosures about fair value measurement. The Standard defines fair value on the basis of an 'exit price' notion and uses a 'fair value hierarchy', which results in a market-based, rather than entity-specific, measurement. Define the term 'Fair Value' as per IFRS 13. Explain the various types of fair value measurement techniques for increasing the transparency in financial reporting

(CO5) [Application]

10. The difficulty is addressed by IFRS Reporting rules, which offer a globally recognized and superior set of accounting rules that enhance global markets' honesty, responsibility, and productivity. (i) Who developed the IFRS? (ii) Explain the features of IFRS

(CO5) [Application]