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**PRESIDENCY UNIVERSITY  
BENGALURU**

**SCHOOL OF LAW  
MID TERM EXAMINATION - NOV 2023**

**Semester :** Semester V - 2021

**Course Code :** COM2014

**Course Name :** Sem V - COM2014 - International Accounting

**Program :** BCL

**Date :** 3-NOV-2023

**Time :** 2:00PM - 3:30PM

**Max Marks :** 50

**Weightage :** 25%

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**Instructions:**

- (i) Read all questions carefully and answer accordingly.*
  - (ii) Question paper consists of 3 parts.*
  - (iii) Scientific and non-programmable calculator are permitted.*
  - (iv) Do not write any information on the question paper other than Roll Number.*
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**ANSWER ALL THE QUESTIONS**

**(5 X 10 = 50M)**

1. International accounting refers to the practice of applying standardized accounting principles and standards across different countries and jurisdictions to ensure consistent and comparable financial reporting. It involves the preparation, presentation, and interpretation of financial statements using a common framework that is applicable on a global scale. Describe the importance of international accounting in the context of increasing complexity and volume of transactions  
(CO1) [Comprehension]
2. International differences in financial reporting have implications for multinational companies, investors, regulators, and other stakeholders. These differences play pivotal role of understanding and addressing these variations for accurate and meaningful financial analysis and decision-making. What are the international differences in financial reporting in the global?  
(CO1) [Comprehension]
3. cash flow statement's purpose is to provide a clear view of how a company generates and uses cash during a specific period. In light of the above statement explain the procedure to prepare Cash Flow Statement as per IAS 7.  
(CO1) [Comprehension]

4. In 2020, Bescos Ltd, a prominent France-based retail giant, found itself embroiled in a significant accounting scandal that carried legal implications related to financial reporting. This case exposed issues of financial inaccuracies and the improper classification of expenses, which left a notable impact on the company's financial documents. Tesco publicly disclosed that it had inflated its profits by approximately £356 million due to accounting irregularities, primarily revolving around the premature recognition of income from suppliers and the delayed recording of certain costs. As a result, the company's financial reports reflected an overstatement of profits. This led to shareholders taking legal action against Bescos, alleging that they suffered financial losses due to the deceptive financial statements. These legal actions prompted scrutiny into matters of accountability and corporate governance. (a) What were the legal consequences and ramifications faced by Bescos Ltd in the aftermath of the accounting scandal? (b) How did the mischaracterization of expenses and the premature recognition of supplier income contribute to the exaggerated portrayal of Bescos's profits?

(CO2) [Comprehension]

5. Financial reporting involves a methodical procedure for documenting and presenting an organization's financial information, with these reports serving as indicators of the company's financial condition and performance over a specific timeframe. What unique legal challenges does Australia face in the field of financial reporting?

(CO2) [Comprehension]