

PG Odd Semester Examination, 2022

COMMERCE

(1st Semester)

Course No.: COMCC-502

(Advanced Financial Accounting)

Full Marks: 70

Pass Marks: 28

Time: 3 hours

*The figures in the right margin indicate full marks for the question.
Answer any five questions, taking one from each unit.*

UNIT-I

1. Define Accounting. Who are the users of accounting information? Explain the qualitative characteristics of accounting information. 2+5+7=14
2. Outline the process of preparation of Accounting Standards in India. Also explain the objectives of Accounting Standards in India. 7+7=14

UNIT-II

3. (a) Mention the objectives of Ratio analysis. 6
(b) From the following information, calculate (i) Debt Equity Ratio, (ii) Total Assets to Debt Ratio, (iii) Proprietary Ratio and (iv) Debt to Capital Employed Ratio. 8

Balance Sheet as at March 31, 2021

	Rs.
I. Equity and Liabilities	
1. Shareholder's Funds	
(a) Share capital	4,00,000
(b) Reserves and Surplus	1,00,000
2. Non-Current Liabilities	
Long-term borrowings	1,50,000
3. Current Liabilities	50,000
	7,00,000
II. Assets	
1. Non-Current Assets	
(a) Fixed Assets	4,00,000
(b) Non-Current Investments	1,00,000
2. Current Assets	2,00,000
	7,00,000

4. Discuss the nature and significance of Financial Statement Analysis. 7+7=14

UNIT-III

5. Elucidate the ethical issues of Accounting and Financial Reporting. Also mention the limitations of Accounting and Financial Reporting. 9+5=14
6. (a) Mention the factors affecting valuation of shares. 6

- (b) From the following data, calculate goodwill on the basis of three years purchase of the average profits :

(i) Profits earned for the years 2019, 2020, 2021 and 2022 were Rs. 80,000, Rs. 90,000, Rs. 1,00,000 and Rs. 1,20,000

(ii) A non-recurring income of Rs. 15,000 is included in the profits of 2019

(iii) The closing stock for the year 2020 was overvalued by Rs. 30,000. 8

UNIT-IV

7. Discuss the importance of corporate reporting in India. Also explain the various methods of corporate reporting in India. 6+8=14
8. Write notes on : 7+7=14
- (i) IFRS
- (ii) Director's Report

UNIT-V

9. Define Environmental Accounting. Explain the need for environmental reporting. Also mention the scope of environmental accounting. 3+5+6=14
10. Discuss the historical cost approach of human resource accounting. Also mention the status of human resource accounting in India. 8+6=14
