



M.Com. IV Semester Degree Examination, October - 2023

COMMERCE

A : International Financial Reporting Standards

(NEP)

Time : 3 Hours

Maximum Marks : 70

Note : Answer **any five** of the following questions with Question No. **1** is **Compulsory**, and each question carries **fourteen** marks.

1. (a) Give the meaning of IFRS. Discuss the benefits of IFRS. 7
- (b) What are the objectives of IFRS Foundation ? Describe its Organization Structure. 7
2. (a) Write an explanatory note on IFRS -11 : Joint Arrangements. 7
- (b) ABC acquired on 75% of interest in MNR for \$ 10 Lakhs. The carrying amounts and Fair Values of MNR identifiable assets and liabilities at the acquisition date were as follows : 7

Particulars	Carrying amount (\$)	Fair values (\$)
Tangible non-current assets	475,000	450,000
Intangible non-current assets	-	200,000
Current assets	400,000	350,000
Liabilities	(3,00,000)	(3,00,000)
Contingent liabilities	-	(30,000)
Total	5,75,000	6,70,000

ABC has decided to measure the non-controlling interest at its share of MNR identifiable net assets. Compute Goodwill as per IFRS-3. If the consideration transfer was \$ 5 Lakhs instead of \$ 10 Lakhs, calculate Gain on bargain purchase based on above given information.

3. (a) Discuss the objectives, scope and accounting recognition criteria of IFRS-17. 7
- (b) Micro Ltd. acquired a plant and machinery originally for \$ 40 Lakhs. After 10 years cumulative depreciation of \$ 22 Lakhs and an impairment loss of \$ 3 Lakhs were recognized . Thus the carrying amount of the building was \$ 15 Lakhs. At the end of the 2nd quarter of the 11th year, Micro Ltd. plan to sell the plant and machinery. Depreciation charged for the half year is \$ 1.10 Lakhs. The fair value less costs to sell of the asset is measured at \$ 12 Lakhs. The fair value less costs to sell of plant and machinery was remeasured at the end of the 11th year at \$ 14 Lakhs. So it wishes to carry the plant and machinery at \$ 9.80 Lakhs. Advice the company for measurement of non-current assets held for sale. 7



4. (a) Explain the applicability, initial recognition and disclosure requirement of IFRS-6. **7**
- (b) Entity X lends \$ 10,00,000 to entity Y. The loan carries interest at 5% per annum payable annually and is payable in full after a period of five years, even though the market rate for similar loans is 8%. To compensate entity X for the below market rate of interest. Entity Y pays an origination fees of \$ 1,20,000 to entity X. There are no other directly related payments by either party. You are required to show the value at which entity X would recognize the loan and the annual interest thereon. **7**
5. Answer the following :
- (a) Board of Director reports **5**
- (b) Corporate Governance reports **5**
- (c) Management and Discussion reports **4**
6. AD Ltd. has taken the assets on lease from MNR Ltd. The following information is given below : **14**

Lease term	4 years
Fair value at inception of lease	\$ 16,00,000
Lease rent	\$ 5,00,000 p.a. at the end of year
Guaranteed Residual value	\$ 1,00,000
Expected Residual value	\$ 3,00,000
Interest rate	14.97%

How will this be accounted in the books of lessor ?

7. (a) Write an explanatory note on IFRS-13: Fair Value Measurement. **7**
- (b) Discuss the objective, scope and accounting recognition criteria of IFRS-2. **7**
8. Write a short note on :
- (a) IFRS-14 : Regulatory Deferral Accounts. **5**
- (b) IFRS-15 : Revenue from Contracts with Customers. **5**
- (c) IFRS-12 : Disclosure of Interest in other Entities. **4**

