



PG – 530

**II Semester M.Com. (Financial Accounting)/M.F.A. Examination, June 2016  
(CBCS)**

**Paper – 2.1 : CONTEMPORARY ISSUES IN ACCOUNTING**

Time : 3 Hours

Max. Marks : 70

**Instruction :** Answer all Sections.

**SECTION – A**

Answer **any seven** of the following sub-questions. **Each** sub-question carries **2** marks. **(7×2=14)**

1. a) What is matching principle ?
- b) What do you mean by off balance sheet financing ?
- c) Mention any four qualities of annual report recommended by True Blood Committee.
- d) Define Social Audit.
- e) What do you mean by defined contribution plan ?
- f) Why segment reporting is important ?
- g) What do you mean by real financial capital maintenance ?
- h) Define Human Resources Accounting.
- i) Give examples of 'materiality' in accounting.
- j) What is general price index ?

**SECTION – B**

Answer **any four** questions: **Each** question carries **five** marks. **(4×5=20)**

2. Briefly explain the challenges of environmental reporting.
3. Write an explanatory note on 'Brand Valuation'.
4. Draw a format of 'interim report'.

P.T.O.



5. Briefly explain salient features of pension cost accounting.
6. Bring out the differences between 'Human asset' and 'Physical asset'.
7. Calculate the Monetary Working Capital Adjustment (MWCA) from the following :

	Opening	Closing
Debtors	₹ 50,00,000	₹ 70,00,000
Creditors	₹ 40,00,000	₹ 46,00,000
Index Number	100	120
Average index for the year	110	120

#### SECTION – C

Answer **any three** questions. **Each** question carries **12** marks. **(3×12=36)**

8. Write a detailed explanatory note on the provisions of Corporate Social Responsibility Accounting under the Companies Act, 2013.
9. What are the objectives of segment reporting ? Illustrate segment disclosures as per AS – 17.
10. Examine the different approaches to Human Resource Accounting. Give some examples of HRA in Indian Context.
11. From the following information you are required to prepare :
  - a) Supplementary Comparative Balance Sheet in 2012 rupees.
  - b) Supplementary Income Statement in 2012 rupees.
  - c) The index numbers are as follows :

Year	Index
2010	100
2011	200
2012	225



**Balance Sheet of XYZ Co. Ltd.**

<b>Liabilities</b>	<b>2011</b>	<b>2012</b>	<b>Assets</b>	<b>2011</b>	<b>2012</b>
Equity Share Capital	50,000	50,000	Land & Buildings (Purchased in 1989)	30,000	30,000
P&L a/c	5,000	6,500	Plant & machinery (Purchased in 1999 for Rs. 26,000)	15,000	14,000
Creditors	5,000	7,000	Stock	6,000	7,000
			Debtors	5,000	7,500
			Cash	4,000	5,000
	<b>60,000</b>	<b>63,500</b>		<b>60,000</b>	<b>63,500</b>

12. An equipment costing ₹ 50,00,000 with a five year life can be leased for 5 years for payment of ₹ 12,00,000 per year at the end of each year. Alternatively you can borrow ₹ 50,00,000 and buy the equipment , 6% interest is payable on the outstanding balance at the close of each year, the principal being repayable in 5 equal instalments.

You are to compute depreciation at 20% on the original cost p.a. Corporate tax is to be reckoned at 50% and a fair return of 10% after tax is expected on the business funds. The present value factors for discounting at 10% are as below :

<b>Year</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
<b>P.V. factor</b>	0.909	0.826	0.751	0.683	0.621

Present your choice, with comparative analysis.