



IV Semester M.Com. (FA) Examination, November 2022

(CBCS)

Paper – 4.2 : INTERNATIONAL ACCOUNTING

Time : 3 Hours

Max. Marks : 70

SECTION – A

Answer **any seven** questions out of ten. **Each** question carries **two** marks. **(7×2=14)**

1. a) Define International Accounting.
- b) What do you mean by Cost plus pricing ?
- c) State any two IFRS issued till date.
- d) Expand IASB and IASC.
- e) How do you value R and D expenses in Japan ?
- f) What is Convention of Conservatism ?
- g) What is deferred tax liability ?
- h) What do you mean by prospective analysis ?
- i) State any two issues in preparation of International Financial Statement.
- j) Why is Currency translation necessary ?

SECTION – B

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

2. Explain the differences between US GAAP and IFRS.
3. What are the specific issues in international financial reporting ?
4. On 11/1/2020, Americana, Inc. (a US corporation), purchased equipment from an unrelated French company for 10,000 French Francs, payable on 30/01/2020.

The exchange rate information is as follows :

Exchange rate information :

11/1/2020..... 1 franc = \$0.30 (Spot Rate)

31/12/2020..... 1 franc = \$0.32

30/01/2020..... 1 franc = \$0.33

Present all necessary journal entries to account for this transaction on Americana's books.

P.T.O.



5. How an internationalization of capital markets has implication for the companies raising funds and the investors ? Briefly explain.
6. Your company fixes the inter-divisional transfer prices for its products on the basis of cost, plus a return on investment in the division. The Budget for Division A for 2021-22 appears as under :
 - Fixed Assets Rs. 5,00,000
 - Current assets Rs. 3,00,000
 - Debtors Rs. 2,00,000
 - Annual Fixed Cost of the Division Rs. 8,00,000
 - Variable cost per unit of product Rs. 10
 - Budgeted Volume 4,00,000 units per year
 - Desired ROI 28%
 Determine the transfer Price for Division A.
7. State the terminology barriers involved in International financial statement analysis.

SECTION – C

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

8. Discuss in detail the various methods of transfer pricing.
9. What are the different methods for foreign currency translation ? How would you select an appropriate method for foreign currency translation ?
10. Discuss the recent trends in IFRS across different countries.
11. Critically examine the financial reporting practices followed in US.
12. What do you mean by countries differences in accounting policies ? What are their implications for the analysis of financial statements of multinational corporations ?