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Reg. No.

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IV Semester M.Com. Degree Examination, August/September - 2025

COMMERCE

International Accounting (Elective: A/C's and Taxation)

(CBCS Scheme)

Paper : 4.3

Time : 3 Hours

Maximum Marks : 70

SECTION - A

Answer any Seven questions out of Ten. Each question carries 2 marks. (7×2=14)

1. a) Define International Accounting.
- b) Name any two cultural factors that can influence international accounting.
- c) Identify the three tiers in the governance structure of IFRS.
- d) Name any two IFRS standards.
- e) Define functional currency.
- f) What is fair value as per IFRS 13.
- g) List out any two remedies for overcoming of foreign financial statement analysis.
- h) What is prospective analysis?
- i) Expand US GAAP and IFRS.
- j) What is multinational corporations?

SECTION - B

Answer any Four questions out of Six. Each question carries 5 marks. (4×5=20)

2. Outline the typical stages for the evaluation of multinational corporations.
3. Distinguish between US GAAP and IFRS.
4. Give a brief note about issues arises in international accounting.
5. Find out the translation loss/gain using current and non-current method and using temporal method on the basis of the following data supplied by the Indian subsidiary to its parent unit in the USA.

[P.T.O.]



Liabilities and Equity	Amount(Rs.)	Assets	Amount (Rs.)
Current Liabilities	1,000	Cash	300
Share Capital	2,500	Marketable Securities	300
Bonds	1,500	Debtors	500
Retained Earnings	1,000	Inventory	800
		Land and Buildings	1,400
		Plant and Machinery	1,800
		Furniture	900
Total	6,000	Total	6,000

Historical rate Rs. 82 /US \$ and Current Rate Rs. 88/US\$.

6. Determine an overview of international accounting environment.
7. Write a short note on transfer pricing.

SECTION - C

Answer any Two questions out of Four. Each question carries 12 marks. (2×12=24)

8. H Limited is a company carrying on the business of beauty products and is having a subsidiary S Limited. Their Balance-sheets as on 31st March 2016 were as under.

Particulars	H Ltd. (Rs.)	S Ltd.(Rs.)
Share Capital	25,00,000	5,80,000
General Reserve	2,00,000	1,20,000
Profit and Loss Account	3,12,500	2,05,000
Trade Payables	4,55,000	2,35,500
Bills Payables	28,000	83,000
Total	34,95,500	12,23,500
Particulars	H Ltd (Rs.)	S Ltd (Rs.)
Fixed Assets	21,70,000	6,25,000
Investment in 4,060 shares of SIM Ltd	5,10,000	--
Inventories	4,80,000	3,19,200
Trade Receivables	1,80,000	1,64,000
Bills Receivable	68,000	1,00,000
Cash and Bank	87,500	15,300
Total	34,95,500	12,23,500

H Limited has also given the following information:



- a) HIM Limited has acquired the shares in SIM Limited in two lots on two different dates. The relevant information at the time of acquisition of shares was as under:

No. of Shares acquired	Balance in General Reserve	Balances in Profit and Loss A/c
1st Acquired	80,000	25,000
2nd Acquired	85,000	1,02,000

- b) Bills Receivable of H Limited includes 15,000 being acceptance from S Limited
- c) Both the companies have declared dividends of 10% on 31st March 2016, but it has not been provided in the books of account
- d) S Limited's inventory includes stock of 1,45,000 purchased from H Limited. H Limited sells goods at mark up of 25% on its cost.

Prepare the Consolidated Balance Sheet of H Limited along with 'Notes to accounts'

9. Discuss the principles of consolidation accounting as per IFRS 10.
10. Elaborate the due process followed by the IASB for setting accounting standard.
11. Explain the barriers of international financial statement analysis.

SECTION - D

Answer the following question. This Question carries Twelve marks. (1×12=12)

12. ABC Technologies Inc., a US-based publicly traded software development company headquartered in California, is planning to expand its global presence. As part of its strategic growth plan, ABC has established a wholly owned subsidiary in the United Kingdom, named ABC UK Ltd., which will serve the European market.

To maintain transparency and comparability for international stakeholders, ABC Technologies decides that its UK subsidiary will adopt International Financial Reporting Standards (IFRS), while the parent company in the US continues to report under US Generally Accepted Accounting Principles (US GAAP).

This expansion triggers several international accounting considerations, Identify

- a) How ABC Technologies should consolidate the financial statements of ABC UK Ltd.
- b) Currency Translation from GBP to USD.