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Reg. No. | | | | | | | | |

IV Semester M.Com. Degree Examination, July/August - 2026

COMMERCE (Accounting and Taxation)

International Accounting (Elective)

(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) Give the meaning of International Accounting.

   b) What is segmental reporting?

   c) Mention any two benefits of IFRS.

   d) Expand IASB and US GAAP.

   e) Define Fair value accounting.

   f) List any four countries following IFRS.

   g) Give the meaning of Consolidation accounting.

   h) What is international financial statement analysis?

   i) What is prospective analysis?

   j) State any two foreign currency issues in IFR analysis.

SECTION - B

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

2. Briefly explain the standard setting process of IFRS.

3. Write short notes on Transfer Pricing and Fair value accounting.

4. Analyze the factors affecting International Financial statement analysis.

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5. Sakura Ltd. is a Japanese subsidiary of Bharat Ltd. The functional currency of Sakura Ltd. is JPY. Bharat Ltd .presents its financials in INR. Balance Sheet of Sakura Ltd. as on 31-03-2026 is as follows:

Particulars	**JPY'000**
Fixed Assets	50,000
Current Assets	30,000
Total Assets	**80,000**
Share Capital (1/4/2022)	40,000
Retained Earnings - 1/4/2022	15,000
Net Profit-2025-26	10,000
Current Liabilities	15,000
Total Equity and Liabilities	**80,000**

Exchange rates are as follows: Historical rate for share capital 1 JPY = Rs.0.60, Opening rate on 1/4/2024=1 JPY = Rs.0.55, closing rate 1 JPY = Rs.0.58 and Average rate for 2025-26 1 JPY = Rs.0.57. Translate the Balance sheet using current rate method and calculate the translation gain or loss for 2025-26.

6. Differentiate USGAPP and IFRS.

7. Briefly explain the financial reporting system of Australia.

SECTION - C

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

8. Enumerate the users of International Accounting Information along with their information needs.

9. H Ltd. acquired 80% shares of S Ltd., on 01-04-2024 when the Balance Sheets of both companies were as follows (figures are in Rs.)

Balance Sheets as on 01-04-2025

Liabilities	**H Ltd**	**S Ltd**	**Assets**	**H Ltd**	**S Ltd**
Share capital (Rs.10 shares)	8,00,000	4,00,000	Fixed Assets	6,00,000	3,00,000
General Reserve	2,00,000	1,00,000	Investment in S Ltd (32000 shares of Rs.15)	4,80,000	--
P/L A/c	1,50,000	80,000	Current Assets	3,70,000	3,80,000
Creditors	3,00,000	1,00,000			
Total	**14,50,000**	**6,80,000**	**Total**	**14,50,000**	**6,80,000**

Additional Information:

a) On 1/4/2025 General Reserve and P&L A/c of S Ltd. showed the above balances. These are pre-acquisition profits.

b) On 31-03-2026, the P&L A/c of S Ltd. increased to Rs.1,80,000 and General Reserve to Rs.1,50,000.

c) On 31-03-2026, Debtors of H Ltd. include Rs.40,000 due from S Ltd. Creditors of S Ltd. include Rs.40,000 due to H Ltd.

d) Stock of H Ltd. includes Rs.30,000 purchased from S Ltd. S Ltd. sold goods at 25% profit on cost.

e) Depreciation: Charge 10% on Fixed Assets of S Ltd. for 2025-26. S Ltd. had not charged depreciation yet. Prepare Consolidated Balance Sheet as on 31/03/2026.

10. Explain in detail the challenges and difficulties in International Financial Statements and measures to overcome them.

11. Enumerate in detail the various IFRS issued till date.

SECTION - D

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

12. Dobly Inc. a Japanese based Company is planning for an expansion into European markets. As part of this, it plans to start its operations in France, which will be a wholly owned subsidiary of Japanese Company. IFRS should be adopted for accounting purposes. Identify the process involved, steps for currency translation and the consolidation of financial statements of both the companies