Q.P. Code: 32624

Sixth Semester B.Com. Degree Examination, May/June, 2026

(NEP Scheme)

COMMERCE

(NCF 0240) Indian Accounting Standard - II

Time : 2 Hours Max. Marks : 60

Instructions to students:

1. **The students should legibly write section number along with question numbers.**
2. **The answers without section number and question numbers will not be valued.**
3. **Section - I Multiple choice questions should be answered in the first page of main answer book and some questions shall not be answered repeatedly.**
4. **Any identifications like marking, ticking, dots etc., in the options of MCQ Questions (Section-I) on the question paper is strictly prohibited. Do not write anything (except register number) on the question paper.**
5. **Ordinary calculator may be used.**

SECTION - I

I. Select the most appropriate answer from the options provided. ONE marks each. (10x1=10)

I-1. If 'A' Co. invests 75% on equity shares of 'B' Ltd., What will be the percentage of holder of 'B' Ltd.

a) 50% b) 25% c) 75% d) 100%

I-2. An employee can work in an entity _____

a) Part time b) Part or Full time
c) Casual basis d) All of the above

I-3. _____ is the owner of the asset in lease agreement.

a) Lessee b) Tenant c) Lessor d) None of the above

I-4. Pre acquisition Period Reserve is known as _____

a) General Reserve b) Capital Reserve c) Revenue Reserve d) Profit Reserve

I-5. If 12% of Equity Shares issued are kept as Treasury Shares. What number of Treasury Shares is for 500 ordinary shares?

a) 60 b) 20 c) 40 d) 30

I-6. If an entity has losses and need cash funds. If an asset is sold for a depreciated value of ₹ 8,50,000 and the Fair market value of the Asset is ₹ 10,00,000. What would be the Fair Market Value if it is sold at ₹ 8,00,000.

a) 8,50,000 b) 10,00,000 c) 7,00,000 d) 6,00,000

I-7. Financial Instrument Presentation deals with _____

a) Ind - AS 32 b) Ind - AS 36 c) Ind - AS 113 d) Ind - AS 02

I-8. If profit of an entity is ₹ 1,50,000 and the profit investment by holding and subsidiary company is 3:2. What will be the profit of subsidiary company?
a) ₹ 60,000 b) ₹ 75,000 c) ₹ 45,000 d) ₹ 30,000

I-9. An entity's lease agreement is to pay ₹ 1,00,000 each year at the end for 10 years. If 2% interest rate is increased each year. What is the lease payment for 3rd Year?
a) ₹ 1,00,000 b) ₹ 1,02,000 c) ₹ 1,04,040 d) ₹ 1,05,000

I-10. 'A' Ltd. issued 1,000 shares on 1/4/23 and 200 bonus shares on 1/7/23, it issued 100 Right Shares on 1/10/23. Find out Weighted Average Number of Equity Shares.
a) 1,300 b) 1,200 c) 1,000 d) 1,350

SECTION - II

II. Answer any FIVE of the following questions. THREE marks each. **(5x3=15)**

II-1. Write a note on Revenue from Contracts with Customers.

II-2. Briefly explain Ind AS - 8.

II-3. State the scope of Ind AS - 113.

II-4. Siya Ltd. had a Share Capital of 2,00,000 shares of Rs. 10 each at 1/4/22. On 30/11/22 Siya Ltd. made a Bonus Shares issue of 40,000 shares. Earnings for the current year is Rs. 30,000. Calculate Basic EPS.

II-5. N Ltd. has 100 employees in 2022-23. As per the Co. politics, the employees are entitled to 30 days casual leave & 10 days sick leave. Out of which 10 casual leave may be carried forward to next year, and 2 sick leaves carried forward as paid leaves. The average unused entitlement is 5 days casual leave and 1 day sick leave per employee. It is found that such employee who would claim casual leave are 50 and 20 employees would claim sick leaves. Calculate the leave liability days to be recognised by the Co.

II-6. Rai Ltd. acquired 3,40,000 Shares of ₹ 10 each in 'A' Ltd on 1/10/22. The following balances are extracted from the Balance Sheet of 'A' Ltd. as on 31/3/23.
- Share Capital 5,00,000 shares of ₹ 10 each
- General Reserve as on 1/4/22 ₹ 10,00,000
- P & L as on 1/4/22 (Dr.) ₹ 8,00,000
- Profit during the year ₹ 16,00,000

Calculate non-controlling interest.

II-7. Kumar Ltd. enter into contract of lease with Z Ltd. on 1/1/20. Contract include the following:
- Lease Asset : Machinery
- Lease Period : 5 years
- Terms : Payable @ the end of each year
- Incremental cost of borrowings : 10% Bank Interest Rate for lease
- Annual lease payment : ₹ 1,00,000
- Discount factor for 5 years = 3.79 @ 10% rate.

From the above compute cashflow & lease liability.

II-8. Dayanand Ltd. decided to distribute 3% of profits of its existing employees if profit exceeds Rs. 25,00,000 during the year 2022-23. The profit earned by the Co. is Rs. 32,00,000 for the current year 2022-23. Determine the employee benefit under Ind - AS 19 and Pass necessary Journal Entries in the books of Dayanand Ltd.

SECTION - III

III. Answer any THREE of the following. FIVE marks each. **(3x5=15)**

III-1. Discuss the scope & measurement of Financial Instrument Presentation Ind - AS 32.

III-2. Explain the objectives of first time adoption of Ind - AS 101.

III-3. 'I' Ltd. acquired 60% of Equity Shares of 'J' Ltd. on 1/8/22. On that date paid up capital of 'J' Ltd. was 30,000 Equity Shares of Rs. 10 each. Accumulated Reserve Balance was Rs. 3,20,000. 'I' Ltd. paid Rs. 4,50,000 to acquire the shares. Assets of 'J' Ltd. were revalued on 1/8/22 and a revaluation loss of Rs. 80,000 was ascertained. Calculate Goodwill and Capital Reserve from the above for 2022.23.

III-4. 'A' Ltd. had a Equity Share Capital of 50,000 shares of Rs. 20 each and 5,000 Redeemable Preference Shares of Rs. 10 each as of 1/4/22. On 1/10/22 'A' Ltd. issued New Share Capital of 6,000 Equity Shares of Rs. 20 each for cash. During the year 'A' Ltd. made a profit of Rs. 1,00,000 and paid the preference dividend of Rs. 1 per share (not adjusted). There are no tax effects on payment of preference dividends. Calculate the basic earning per share.

III-5. 'A' Ltd. enters into a lease for 10 years, with a single lease payment payable at the beginning of each year. The initial lease payment is Rs. 1,00,000. Lease payment will increase by the interest rate at 2% each year. Assume that the implicit discount factor is 5%.

Calculate the lease liability for 10 years.

SECTION - IV

IV. Answer the following questions. TEN marks each. **(2x10=20)**

IV-1. What is Share Base Payment. Explain the objectives & scope of Ind - AS 102.

OR

On 1st Jan. 2022, 'K' Ltd. entered into a agreement to lease new machinery under a 5 years lease with Rs. 3,00,000. Payable on 31st December each year. The interest rate implicit in the lease is 6% and the present value of the lease payments is Rs. 12,63,000.

Calculate lease liability for 5 years and Pass necessary journal entries.

IV-2. Explain the objectives, scope & recognition of Government grants & disclosure. - Ind - AS 20.

OR

The Balance Sheets of 'X' Ltd. and its subsidiary 'Y' Ltd. are given below:

Equity's and Liabilities	**'X' (Rs.)**	**'Y' (Rs.)**
Share Capital of Rs. 10 each	5,00,000	1,00,000
Reserves	60,000	30,000
Profit & Loss Account	2,00,000	60,000
Bills Payable	-	15,000
Creditors	1,10,000	60,000
Total	**8,70,000**	**2,65,000**
Assets	**'X' (Rs.)**	**'Y' (Rs.)**
Fixed Assets	4,00,000	60,000
Stock	3,00,000	1,20,000
Debtors	75,000	85,000
Bills Receivables	20,000	-
Investments: 7,500 Share in 'Y' Ltd.	75,000	-
Total	**8,70,000**	**2,65,000**

Additional information:

1. 'X' Ltd. acquired the shares of 'Y' Ltd. on 1/10/22.
2. The bills accepted by 'Y' Ltd. are all in favour of 'X' Ltd.
3. The stock of 'X' Ltd., includes Rs. 25,000 brought from 'Y' Ltd. at a profit of 20% on sales.
4. All the profits of 'Y' Ltd. have been earned since the shares were acquired by 'X' Ltd. But there was already a reserve of Rs. 30,000 on that date.

Prepare consolidated Balance Sheet of 'X' and 'Y' Ltd.

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