

B.Com(Hons) DEGREE EXAMINATION, APRIL 2020
II Year III Semester
Accounting Standards

Time : 3 Hours

Max.marks :75

Section A ($10 \times 2 = 20$) Marks

Answer **ALL** the questions

1. Define Accounting Standards
2. What is inventory?
3. What are accounting policies?
4. What is net realise value?
5. What do you mean by sale and lease back?
6. Define Amalgamation.
7. What is contingency?
8. What is dividend?
9. Define intangible assest.
10. What is contingent liability?

Section B ($5 \times 5 = 25$) Marks

Answer any **FIVE** questions

11. What are the advantages of setting accounting standards?
12. What are the fundamental accounting assumption according to AS-1 : Disclosure of accounting policies?
13. What is a measurement principle for inventories?
14. Explain the revenue recognition principle relating to the sale of goods based on AS-9: Revenue recognition.
15. Differentiate Financial lease from operating lease.
16. Discuss the treatment of goodwill arising on amalgamation.
17. Write the accounting treatment of contingent assets?
18. What are the main features of cash flow statement?

Section C ($2 \times 15 = 30$) Marks**PART - A - Case Study - Compulsory Question**

19. M/s Progressive Company Limited has not charged depreciation for the year ended on 31st March, 2012, in respect of a spare bus purchased]during the financial year 2011-12 and kept ready by the company for use as a stand-by , on the ground that, it was not actually used during the year. State your views with reference to Accounting Standard 10 "Property, Plant and Equipment". Further during the year company made additions to its factory by using its own workforce, at a cost of ' 4,50,000 as wages and materials. The lowest estimate from an outside contractor to carry out the same work was ' 6,00,000. The directors contend that, since they are fully entitled to employ an outside contractor, it is reasonable to debit the Factory Building Account with ' 6,00,000. Comment whether the directors' contention is right in view of the provisions of Accounting Standard 10?

PART - B

Answer any **ONE** questions

20. Explain the procedure for issue of accounting standards in India.
21. List out the salient features of AS10: Accounting for Fixed Assets.

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