



NP – 930

VI Semester B.Com. Examination, June/July 2025

(NEP) (Freshers and Repeaters)

COMMERCE

DSE-A2 : Indian Accounting Standards – II (Elective)

Time : 2½ Hours

Max. Marks : 60

Instruction : Answer must be written either in Kannada or in English.

SECTION – A

1. Answer **any six** sub-questions out of eight, **each** sub-question carries **2 marks.** **(6×2=12)**

- a) What is the primary objective of Ind AS-103 ?
- b) Name the financial instruments is classified as a liability under Ind AS 32 ?
- c) What is the purpose of disclosing related party transactions under Ind AS 24 ?
- d) How are joint ventures accounted for under Ind AS 28 ?
- e) What is the scope of Ind AS 27 ?
- f) What is the disclosure requirement for operating segments under Ind AS 108 ?
- g) Mention Tax base of an assets under Ind AS 12.
- h) What is deferred tax liability ?

SECTION – B

Answer **any three** questions out of five, **each** question carries **4 marks.** **(3×4=12)**

2. Explain the importance of disclosing related party transactions under Ind AS 24.

3. X Ltd. acquires 100% of Y Ltd. on January 1, 2024. X Ltd. pays ₹ 950 million in cash. The fair value of Y Ltd.'s identifiable assets is ₹ 750 million and the fair value of its identifiable liabilities is ₹ 350 million. Calculate the goodwill arising from the acquisition under Ind AS 103.

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4. Calculate Non-Controlling interest under Ind AS 103 from the following details
PQR Ltd. acquired 2,24,000 shares of ₹ 10 each in X Ltd. on 1/10/2023. The following balances are extracted from the balance sheet of X Ltd. as on 31/3/2024.

- Share capital 2,80,000 shares of ₹ 10 each.
- General reserve (on 1/4/2023) ₹ 2,80,000
- Profit and Loss A/c (on 1/4/2023) ₹ 4,48,000
- Profit during the year 2023-24 ₹ 2,40,000

5. AB Ltd. issues convertible debentures on 1st April 2024 with the following terms :

- Total issue : ₹ 30,00,000
- Interest rate : 8% per annum, payable annually
- Maturity : 3 years
- Convertible into equity shares at the end of the tenure
- The market interest rate for a similar liability without conversion is 10%

Split the convertible bonds into Equity and Liability under Ind AS 32

Note : Present Value of Rupee 1 Annuity Factor @10% for 3 years = 2.486
Present Value of Rupee 1 @10% for 3 years = 0.751

6. XYZ Co. purchased a Machinery costing Rs. 1,00,000, Estimated life of Machinery : 10 years, Profit before depreciation in Rs. 1,50,000, Depreciation Rate as per Income Tax is 30%, Tax Rate 30%. Show in accounting books under Ind AS 12.

SECTION – C

Answer **any three** questions out of 5, **each** question carries **12** marks. (3×12=36)

7. A) Explain the disclosure requirements for joint arrangements under Ind AS 111.
B) Describe the types of related parties that are required to be disclosed under Ind AS 24.

8. A) An entity has an item of plant and machinery acquired on the first day of the reporting period for Rs.1,00,000. It depreciates it @ 20% p.a. on SLM basis. The carrying amount in balance sheet is Rs. 80,000. The taxation laws require depreciation @ 30% on WDV basis. Tax Rate = 30%. Show the accounting treatment as per Ind AS 12.

B) PQR Ltd. purchased machinery for ₹ 10,00,000 on 1st April 2023. The machinery has a useful life of 5 years and is depreciated using the straight-line method for accounting purposes. For tax purposes, the machinery is depreciated at 25% per annum using the written-down value (WDV) method. The applicable tax rate is 30%. PQR Ltd. has a profit before tax of ₹ 5,00,000 for the year ending 31st March 2024.

- a) Calculate the accounting depreciation and tax depreciation 31st March 2024.
- b) Determine the temporary difference and deferred tax liability 31st March 2024.
- c) Compute the current tax expense and total tax expense for the year Ind AS 12.

9. A) ABC Ltd. issues a convertible loan that pays interest of 2% p.a. in arrears. The market rate is 8% being the interest rate for an equivalent debt without the conversion option. The loan of Rs. 50,00,000 is repayable in full after three years or convertible to equity. Year 1, 2 and 3 discount factor at 8%, 0.926, 0.857 and 0.794 respectively.

You are required to i) Split the loan between debt and equity at inception. ii) Calculate the finance charges and liability for each year until conversion or redemption. Under Ind AS 32.

B) XYZ Ltd. issues 5,000 convertible bonds on 1st April 2023.

Each bond has a face value of ₹ 1,000 and carries an annual coupon rate of 6%.

The bonds are redeemable at par after 3 years.

Bondholders have the option to convert each bond into 5 equity shares of XYZ Ltd. at any time before maturity.

The market interest rate for similar bonds without the conversion option is 8%.

Requirement : under Ind AS 32

- 1) Classify the convertible bonds into their liability and equity components.
- 2) Calculate the liability component and equity component at the time of issuance.
- 3) Pass the necessary journal entries for the issuance of the bonds.

Note : 1) Present value interest factor of annuity for rupee 1 for 3 years at 8% (PVIFA = 2.5771).

2) Present value interest factor for rupee 1 for 3 years at 8% (PVIF = 0.7938).



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10. A) V Ltd. purchased 75% of shares of P Ltd. on 22/4/2023, on that profit and loss A/c of P Ltd. had ₹ 3,00,000 and Reserves ₹ 4,50,000. And P Ltd. earned profit of ₹ 1,40,000 after the acquisition.

On the date of acquisition P Ltd. revalued certain assets, in which property and plant provided profit of ₹ 80,000 and ₹ 1,20,000 respectively and equipment provided a loss of ₹ 50,000.

The Equity share capital of P Ltd. was 70,000 shares of ₹ 10 each.

Calculate Non-Controlling Interest as per Ind AS 103.

B) S Ltd. had equity capital of 25,000 of ₹ 10 shares each on 30th June 2022. The Retained Earnings of S Ltd. stood at ₹ 60,000 on that date. P Ltd. acquired 20,000 shares on 1st July 2022.

Consideration was agreed at ₹ 3,00,000 cash and a further cash of ₹ 1,00,000 on 1st July 2024. The cost of capital of P Ltd. is 7% .

S Ltd. also had an intangible asset valued at ₹ 60,000 which was not included in its SOFP. The Fair Value of Non-Controlling Interest on the date of acquisition was ₹ 90,000.

Present value of Rupee 1 at 7% for 2 years 0.8734.

Calculate Goodwill Under Ind AS 103.

11. The following are the Balance Sheets of Parent Ltd. and Subsidiary Ltd. as of 31st March 2024. Prepare consolidated financial statement Parent Co. under Ind AS 110.

Particulars	Parent Ltd. (₹)	Subsidiary Ltd. (₹)
Assets		
Property, Plant and Equipment	20,00,000	8,00,000
Investment in Subsidiary Ltd.	10,00,000	—
Inventory	5,00,000	2,00,000
Trade receivables	3,00,000	1,00,000
Cash and Cash Equivalents	2,00,000	1,00,000
Total Assets	40,00,000	12,00,000

**Liabilities and Equity :**

Share capital	15,00,000	5,00,000
Retained earnings	10,00,000	3,00,000
Trade payables	5,00,000	2,00,000
Other liabilities	10,00,000	2,00,000
Total Liabilities and Equity	40,00,000	12,00,000

Additional information :

- 1) During the year, Subsidiary Ltd. earned a profit of ₹ 2,00,000.
- 2) Parent Ltd. acquires 80% of the equity shares of Subsidiary Ltd. on 1st April 2023 for ₹ 16,00,000.
- 3) The fair value of the net identifiable assets of Subsidiary Ltd. on the acquisition date is ₹ 12,00,000. And the carrying amount of the net identifiable assets of Subsidiary Ltd. on the acquisition date is ₹ 9,00,000 (Difference ₹ 3,00,000 adjusted to PPE)
- 4) The fair value of the NCI in Subsidiary Ltd. on the acquisition date is ₹ 2,40,000.

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ವಿಧಾಗ - ಎ

1. ಕೆಳಗಿನ ಎಂಟು ಪ್ರಶ್ನೆಗಳಲ್ಲಿ ಯಾವುದಾದರೂ ಆರು ಉಪ-ಪ್ರಶ್ನೆಗಳಿಗೆ ಉತ್ತರಿಸಿ. ಪ್ರತಿ ಉಪ-ಪ್ರಶ್ನೆಗೆ ಎರಡು ಅಂತರ್ಗಳು. **(6x2=12)**
 - a) Ind AS-103 ರ ಪ್ರಾಥಮಿಕ ಉದ್ದೇಶವೇನು ?
 - b) Ind AS 32 ರ ಅಡಿಯಲ್ಲಿ ಹೊಣೆಗಾರಿಕೆಯಾಗಿ ವರ್ಗೀಕರಿಸಲಾದ ಹಣಕಾಸು ಸಾಧನಗಳನ್ನು ಹೇಸರಿಸಿ.
 - c) Ind AS 24 ರ ಅಡಿಯಲ್ಲಿ ಸಂಬಂಧಿತ ಪಕ್ಷದ ವಹಿವಾಟುಗಳನ್ನು ಒಂದಿಗೆ ಉದ್ದೇಶವೇನು ?
 - d) Ind AS 28 ರ ಅಡಿಯಲ್ಲಿ ಜಂಟಿ ಉದ್ದೇಶಗಳನ್ನು ಹೇಗೆ ಲೆಕ್ಕಾಚಾರ ಮಾಡಲಾಗುತ್ತದೆ ?