



**II Semester M.F.A. Degree Examination, June 2015
(CBCS) (Semester Scheme)**

Finance & Accounts

Paper – 2.1 : CONTEMPORARY ISSUES IN ACCOUNTING

Time : 3 Hours

Max. Marks : 70

SECTION – A

Note : Answer **any seven** of the following sub-questions. **Each** sub-question carries **two** marks. **(7×2=14)**

1. a) What do you mean by value added statement ?
- b) What do you mean by defined contribution plan ?
- c) Define the term Accounting.
- d) State the components of HR Audit.
- e) Identify one important difference between general price level changes and specific price level changes.
- f) Name any three qualitative criteria used for evaluating financial reporting in emerging capital markets.
- g) What do you mean by operating lease ?
- h) What is Segment Reporting ?
- i) What are the objectives of HR Accounting ?
- j) What do you mean by real financial capital maintenance ?

SECTION – B

Note : Answer **any four** questions. **Each** question carries **five** marks. **(4×5=20)**

2. Briefly explain the difficulties in measuring and reporting financial information in the segment reporting.
3. How do you measure employer's pension expense ?

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4. Examine the role of Social Audit in business environment and strategy.
5. Briefly explain the challenges in environmental reporting.
6. An enterprise has purchased an exclusive right to generate hydro-electric power for 60 years. The costs of generating hydro-electric power are much lower than the costs of obtaining power from alternative sources. It is expected that geographical area surrounding the power station will demand a significant amount of power from the power station for at least 60 years. In this case, what is the amortization period over which the enterprise can amortize its cost of purchasing the exclusive right to generate hydro-electric power ? Discuss in the light of the Provisions of the Accounting Standard on Intangible Assets.
7. Bring out the limitations of financial statements.

SECTION – C

Note : Answer **any three** questions. **Each** question carries **12** marks. **(3×12=36)**

8. Write an analytical note on Corporate Social Responsibility Accounting.
9. Describe the accounting criteria and procedure for capitalizing leases by the lessee. Also state the disclosure requirements for leases.
10. Critically examine the relevance of Interim Reporting.
11. From the following details, according to Lev and Schwartz (1971) Model, compute the total value of human resource of the employee groups – skilled and unskilled.

Particulars	Skilled	Unskilled
Annual average earnings of an employee till the retirement age	₹ 50,000	₹ 30,000
Age of retirement	65 years	62 years
Discount rate	15%	15%
Number of employees in the group	20	25
Average age	62 years	60 years



12. The following figures are extracted from the Balance Sheet of XYZ Company and the government publications.

Particulars	Amount (₹)	
	1-4-2013	31-3-2014
Cash and bank balance	75,000	1,55,000
Trade debtors	2,50,000	3,00,000
Loans	2,55,000	2,00,000
Account payable	2,00,000	3,20,000
Retail Price Index (average for 2013-14 = 255)	250	260

Compute the net purchasing power gain or loss on monetary items. Also explain the accounting treatment of net purchasing power gain or loss on monetary items in the books of account.

SECTION - B



PG – 878

II Semester M.F.A. Degree Examination, June 2015
(Semester Scheme)
FINANCE AND ACCOUNTING
Paper 2.1 : Contemporary Issues in Accounting

Time : 3 Hours

Max. Marks : 80

Instruction : Answer all Sections.

SECTION – A

1. Answer **any ten** from the following in about **3-4 lines each**. Each question carries **two** marks : **(10x2=20)**
- Mention four important qualities of financial reports.
 - What is general purpose financial report ?
 - Define Corporate Social Responsibility.
 - What is Social Audit ?
 - What is Environmental Accounting ?
 - What is meant by Interim Reporting ?
 - What do you mean by Backlog Depreciation ?
 - What is Gearing Adjustment ?
 - Identify any advantages of Inflation Accounting.
 - List out the Pension Schemes.
 - What is Brand Loyalty ?
 - Define Balanced Scorecard.

SECTION – B

Answer **any three** questions. Answer to **each** question should not exceed **one** page. Each question carries **5** marks : **(3x5=15)**

- Write an analytical note on True Blood Report.
- Define Social Accounting. How does it differ from Social Audit ?

P.T.O.



4. Briefly explain the features of Inflation Accounting in USA.
5. Discuss briefly the four perspectives of Balanced Scorecard.
6. Describe accounting for different types of leases.

SECTION – C

Answer **any two** questions from the following in about **3 pages each** and **each** question carries **15 marks** : **(2×15=30)**

7. Critically examine the unique features and utility of Segment Reporting.
8. Briefly explain the problems created by the changes in the price level in Historical Cost Accounts and show how Inflation Accounting solves/overcomes these problems.
9. Discuss in detail various methods of Brand valuation.
10. Explain different approaches/models available for measuring Human Resource Accounting.

SECTION – D

Compulsory : **(1×15=15)**

11. From the following details, according to Lev and Schwartz (1971) Model. Compute the total value of human resource of the employee groups – skilled and unskilled.

Particulars	Skilled	Unskilled
a) Annual average earnings of an employee till the retirement age	₹ 50,000	₹ 30,000
b) Age of retirement	65 years	62 years
c) Discount rate	15%	15%
d) Number of employees in the group	20	25
e) Average age	62 years	60 years



PG – 583

II Semester M.F.A. Degree Examination, June/July 2014
(Semester Scheme)
FINANCE AND ACCOUNTING
Paper – 2.1 : Contemporary Issues in Accounting

Time : 3 Hours

Max. Marks : 80

Instruction : Answer *all* Sections.

SECTION – A

(10×2=20)

Answer **any ten** of the following sub-questions in about **3 – 4** lines **each**. **Each** question carries **2** marks :

1. a) What is CCA ?
- b) What do you mean by 'neutrality' in accounting ? Give an example.
- c) Mention any four voluntary disclosures in Annual Report of a company.
- d) Define Human Asset.
- e) What do you mean by financial lease ?
- f) What are the salient features of IAS-14 ?
- g) Differentiate between holding gain and operating gain.
- h) What do you mean by window dressing ?
- i) Define social audit.
- j) Mention different pension schemes.
- k) What are your suggestions for improving financial reporting in India ?
- l) Differentiate between cash flow statement and cash flow accounting.

SECTION – B

(3×5=15)

Answer **any three** questions. Answer to **each** question should **not** exceed **one** page. **Each** question carries **5** marks.

2. Write a brief note on balanced score card.
3. Discuss the salient features of true blood report on corporate reporting.
4. Give the format of Giles cash flow model.

P.T.O.



5. Give a brief note on environmental disclosures in Indian companies.
6. Explain the limitations of financial statements.

SECTION – C

(2×15=30)

Answer **any two** questions. Answer to **each** question should **not** exceed **three** pages. **Each** question carries **15** marks.

7. Explain CSR in India. What are the changes you propose in CSR model ?
8. Discuss in detail various methods of Brand Valuation.
9. Explain the importance of HRA in the changing business context. Bring out various models/approaches available for measuring HRA.
10. "Financial accounting theory should reject the income statement since it uses allocation basis of accounting and in its place adopt the cash flow basis". Justify whether you agree or disagree with the above statement.

SECTION – D

(1×15=15)

Compulsory

11. PQR Co.Ltd., furnishes the following income statement for the year ending 31st December 2013, prepared on the basis of conventional accounting. You are required to prepare the income statement for the year 2013 after adjusting for price level under CPP method.

		₹
Sales		1,00,00,000
Less cost of goods sold		
Op. inventory	10,00,000	
Add Purchases	<u>70,00,000</u>	
	80,00,000	
Wages and salaries	8,00,000	



Other expenses	2,50,000	
Depreciation on Building	80,000	
Interest	<u>20,000</u>	<u>91,50,000</u>
Net Income		<u>8,50,000</u>
Dividends		4,00,000
Retained earnings		4,50,000

Additional information :

- 1) Index of the general price level
Jan. 1st 2013 - 100
Dec. 31st 2013 - 180
The average price index is 140
 - 2) Interest and dividend are paid on 31-12-2013
 - 3) Building was purchased when index was 50.
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PG – 797

**II Semester M.F.A. Degree Examination, July/August 2013
(Semester Scheme)**

Finance and Accounting

Paper – 2.1 : CONTEMPORARY ISSUES IN ACCOUNTING

Time : 3 Hours

Max. Marks : 80

Instruction : Answer all Sections.

SECTION – A

1. Answer **any ten** of the following sub-questions in about **3-4 lines each**. Each sub-question carries **2 marks**. **(10×2=20)**

- a) Give examples of voluntary disclosure in annual report of a company.
- b) What is off balance sheet financing ?
- c) What are the salient features of AS-17 ?
- d) Give an example of 'materiality' in accounting.
- e) Define operating lease.
- f) Mention two objectives of CSR.
- g) Differentiate between operating gain and holding gain.
- h) What is CCA ?
- i) What is EVA ?
- j) Define social audit.
- k) Define brand accounting.
- l) What is inflation accounting ?

SECTION – B

Answer **any three** questions. Answer to **each** question should **not exceed one** page. **Each** question carries **5 marks**. **(3×5=15)**

2. Discuss the problems of segment reporting in India.

P.T.O.



3. Draft the format of interim reporting in India.
4. Write a note on brand accounting.
5. What are the qualities of a good Annual Report ?
6. Explain the importance of EVA.

SECTION – C

Answer **any two** questions. Answer to **each** question should **not** exceed **three** pages. **Each** question carries **15** marks. **(2×15=30)**

7. Discuss in detail various schemes of pension accounting.
8. How do you measure the human resources in an organization ? Explain different approaches.
9. Explain different approaches to CSR. Draft a social balance sheet of an organisation known to you.
10. Can current cost accounting be regarded as a more appropriate mechanism for inflation than GPP accounting ? Substantiate your answer.

SECTION – D

Compulsory : **(1×15=15)**

11. Roshan Co. Ltd., furnishes the following income statement for the year ending 31-12-2011 prepared on the basis of conventional accounting. You are required to prepare the income statement for the year 2011 after adjusting for price level changes under CPP method :

	₹
Sales	1,80,00,000
Less cost of goods sold :	
Op. inventory	16,00,000
Add purchases	1,20,00,000
Less closing inventory	<u>12,00,000</u>
	1,24,00,000



Wages and salaries	12,00,000	
Other expenses	9,00,000	
Depreciation on building	1,40,000	
Interest	60,000	
		<u>1,47,00,000</u>
		<u>33,00,000</u>

Dividends		4,00,000
Retained earnings		5,00,000

Additional information :

- 1) Index of general price level
Jan. 1, 2011 – 100
Dec. 31, 2011 – 200
The average price index is 150
- 2) Interest and dividends are paid on 31st December.
- 3) Building was purchased when the index was 50.

SECTION - B



PG – 827

II Semester M.F.A. Examination, July 2012
(2007-08 Scheme)
FINANCE AND ACCOUNTING
Paper – 2.1 : Contemporary Issues in Accounting

Time : 3 Hours

Max. Marks : 80

Instruction : Answer all Sections.

SECTION – A

1. Answer **any ten** of the following sub-questions in about **3-4 lines each**. **Each** sub-question carries **2 marks**. **(10×2=20)**
- Identify any four important qualities of Financial Reports.
 - List out any four social costs.
 - Define Environmental Accounting.
 - What are basic premises underlying the theory of HRA ?
 - State any two limitations of Current Cost Accounting.
 - What do mean by Brand Equity ?
 - Define Economic Value Added.
 - Identify any two important Pension Schemes.
 - Mention the different types of Leases.
 - Define Accounting.
 - Illustrate conceptual problem if interim reporting.
 - What is gearing adjustment ?

SECTION – B

Answer **any three** questions. Answer to **each** question should **not exceed one** page. **Each** question carries **five marks**. **(3×5=15)**

- What is segment reporting ? Explain the importance of segment reporting.
- "Environmental Audit is the systematic examination of the interactions between business operations and its surrounding." Elucidate.

P.T.O.



4. "Brand accounting is necessity in the competitive business environment". Do you agree ? Why ?
5. Briefly explain the features of Trueblood Report.
6. Write an analytical note on Cash Flow Models.

SECTION – C

Answer **any two** questions. Answer to **each** question should **not** exceed **three** pages. **Each** question carries **15** marks. **(2×15=30)**

7. Discuss the steps involved in implementation of Balanced Scorecard.
8. What do you mean by social reporting ? Explain social reporting practices in India.
9. What is Current Purchasing Power Method ? Discuss the procedure of preparing inflation-adjusted Financial Statements under CPP method.
10. What is lease ? Discuss the accounting treatment for different types of leases.

SECTION – D

(Compulsory) **(1×15=15)**

11. MNP Limited is a firm engaged in providing management consulting services to software companies in the country. For the current year just ended, it has reported an operating profit of ₹ 102 lakh (i.e., Earnings before Interest and Taxes) and net income of ₹ 45 lakh. The expenses of the company include the costs of recruiting new consultants and training them which amounted to ₹ 20 lakh for the current year. A person who joins MNP Company stays with the firm, on an average, for 4 years. The following recruitment and training costs were incurred over the past four years.

Year	Current	-1	-2	-3	-4
Recruitment and Training Expenses (₹)	20	16	15	12	10

Assuming a linear amortization schedule, estimate :

- a) The value of human resource at the end of each of the five years.
- b) The amount of recruitment and training costs amortized during each of the five years, and
- c) The adjustment for the current year's operating profit.



PG – 655 ✓

II Semester M.F.A. Degree Examination, July/August 2011

FINANCE AND ACCOUNTS

Paper – 2.1 : Contemporary Issues in Accounting

Time : 3 Hours

Max. Marks : 80

Instruction : Answer all Sections.

SECTION – A

(10×2=20)

1. Answer **any ten** of the following sub-questions in about **3-4 lines each**. Each sub-question carries **2 marks**.

- a) What are the objectives of social accounting ?
- b) What is balanced score card ?
- c) What is EVA ?
- d) What is the difference between holding gain and operating gain ?
- e) Define financial lease.
- f) Mention two objectives of segment reporting.
- g) What is the basic objective of CPP accounting ?
- h) What is the rationale of cash flow accounting ?
- i) What is the impact of inflation in replacement of asset ?
- j) Mention the problems of interim reporting.
- k) Mention the different systems of Pension accounting.
- l) Illustrate historical cost accounting.

P.T.O.



SECTION – B

(3×5=15)

Answer **any three** questions. Answer to **each** question should **not** exceed **one** page. **Each** question carries **5** marks.

2. Describe Gibbs cash flow model.
3. Outline the differences between operating lease and financial lease.
4. Write a brief note on 'Brand Accounting'.
5. Illustrate various components of balanced score card.
6. Explain the significance of Human Resource Accounting for external purposes.

SECTION – C

(2×15=30)

Answer **any two** questions. Answer to **each** question should **not** exceed **three** pages. **Each** question carries **15** marks.

7. Explain different value approaches of valuing human resources in an organisation.
8. Discuss briefly different methods of social reporting practices in India.
9. Bring out the qualities of good financial report as stated in True blood report.
10. Compare and contrast inflation accounting in UK, USA and India.



SECTION - D

(15×1=15)

11. Compulsory :

- a) ABC Co. Ltd, is adopting FIFO system for inventory valuation. From the historical accounting information given below compute the cost of sales and value of closing stock in CPP terms :

	₹	Retail Price index
Opening stock	50,000	200
Purchases for the year	<u>2,50,000</u>	240
	3,00,000	
Less : closing stock	<u>40,000</u>	300
Cost of sales	2,60,000	

- b) The following were the balances of debtors and creditors of ABC Co. Ltd., at the beginning and end of the accounting year 2010.

	Opening ₹	Ending ₹
Trade debtors	9,00,000	10,00,000
Trade creditors	5,00,000	4,00,000

The average age of these terms is two months. The index numbers applicable are :

Mid month	2009	November	240
-do-	2009	December	250
Mid month	2010	November	280
-do-	2010	December	290

Calculate monetary working capital adjustment.

II Semester M.F.A. Degree Examination, June/July 2010

(Semester Scheme)

Finance and Accounting

Paper - 2.1 : CONTEMPORARY ISSUES IN ACCOUNTING

Time : 3 Hours

Max. Marks : 80

SECTION - A

Answer **any ten** of the following sub-questions in about **3-4 lines each**. Each question

carries **2 marks** :

(10×2=20)

1. a) What are the objectives of CSR ?
- b) What is off balance sheet financing ?
- c) What do you mean by financial lease ?
- d) Define window dressing.
- e) What do you mean by professional disclosure ? Give examples.
- f) What do you mean by 'Conservatism' in accounting ?
- g) Differentiate between operating gain and holding gain.
- h) What are the salient features of AS-17 ?
- i) Mention any two methods of brand valuation.
- j) Give two suggestions for improving financial reporting in India.
- k) What is the difference between cash flow statement and cash flow accounting ?
- l) What is CCA ?

P.T.O.



SECTION - B

Answer **any three** questions. Answer to **each** question should **not** exceed **one** page.

Each question carries **5** marks : (3×5=15)

2. Draft the format of interim reporting in India.
3. What is social audit ? What are its problems ?
4. Discuss the problems of segment reporting in India.
5. What are the salient features of true blood report on corporate reporting ?
6. Write an explanatory note on balanced score card.

SECTION - C

Answer **any two** questions. Answer to **each** question should **not** exceed **three** pages.

Each question carries **15** marks : (2×15=30)

7. Explain different methods and approaches for measuring HRA.
8. "Financial accounting theory should reject the earnings statement since it uses the allocation basis of accounting and in its place adopt the cash flow basis". Do you agree or disagree ? Justify.
9. Explain CSR in India. What are the changes you propose in CSR model ?
10. Discuss in detail various schemes of pension accounting.



SECTION - D

Compulsory :

(1×15=15)

11. XYZ Co., Ltd. furnishes the following income statement for the year ending 31st December 2008, prepared on the basis of conventional accounting. You are required to prepare the income statement for the year 2008 after adjusting for price level changes under CPP method :

Sales		Rs.
Less Cost of good sold :		90,00,000
Op. inventory	8,00,000	
Add purchases	<u>60,00,000</u>	
Less closing inventory	<u>6,00,000</u>	
	74,00,000	
Wages and salaries	6,00,000	
Other expenses	4,50,000	
Depreciation on building	70,000	
Interest	<u>30,000</u>	
		<u>85,50,000</u>
Net income		<u>4,50,000</u>
Dividends		2,00,000
Retained earnings		2,50,000

Additional information :

- 1) Index of the general price level :
Jan. 1, 2008 - 100
Dec. 31, 2008 - 200.
The average price index is 150.
- 2) Interest and dividend are paid on 31st December.
- 3) Building was purchased when the index was 50.

