

Enrollment No./Seat No.:

**GUJARAT TECHNOLOGICAL UNIVERSITY**  
**MBA - SEMESTER - I EXAMINATION - SUMMER 2025**

**Subject Code: 2519301**

**Date: 29-05-2025**

**Subject Name: International Accounting Practices**

**Time: 02:30 PM TO 05:30 PM**

**Total Marks: 70**

**Instructions**

- 1. Attempt all questions.**
- 2. Make suitable assumptions wherever necessary.**
- 3. Figures to the right indicate full marks.**
- 4. USE of SIMPLE calculators AND non-programmable scientific calculators are permitted.**

|  | <b>Marks</b> |
|--|--------------|
| <b>Q.1</b> ALL 7 Questions must be Compulsory.   | <b>14</b>    |
| <b>(a)</b> Contingent Liability  |              |
| <b>(b)</b> Previous Year and Assessment Year   |              |
| <b>(c)</b> Types of Income   |              |
| <b>(d)</b> Creditors   |              |
| <b>(e)</b> Unsecured Loan  |              |
| <b>(f)</b> Trademark   |              |
| <b>(g)</b> Drawings  |              |
| <b>Q.2 (a)</b> What is meaning of Rebate and Discount? Differentiate Trade Discount and Cash Discount.   | <b>07</b>    |
| <b>(b)</b> Discuss the role of Financial Manager in International Accounting.  | <b>07</b>    |
| <b>OR</b>  |              |
| <b>(b)</b> Different countries will have their own GAAP. Discuss the difference between Indian and US GAAP.                                      | <b>07</b>    |
| <b>Q.3 (a)</b> Tax neutrality is very difficult to achieve in the country. Discuss this concept with respect to Indian scenario.                 | <b>07</b>    |
| <b>(b)</b> The concept of XBRL allows organization to maintain their accounts in digital form. Discuss the advantages and disadvantages of XBRL. | <b>07</b>    |
| <b>OR</b>  |              |
| <b>(a)</b> Discuss Accounting Period, Income Recognition and Consistency concepts with appropriate example.                                      | <b>07</b>    |
| <b>(b)</b> Who are the Users of Accounting Information? Discuss their probable reasons to use accounting information.                            | <b>07</b>    |
| <b>Q.4 (a)</b> Define Tax Treaties in brief. Explain the Tax treaties of India with other countries of the world.                                | <b>07</b>    |

- (b)** The transactions of Shri Trumpeshwar for the month of April 2025 are given below write necessary Journal entries: **07**
- 1: Trumpeshwar commenced business with cash Rs 2,00,000, debtors Rs. 1,00,000 and stock of goods Rs. 3,00,000.
  - 2 : Due to need for more money in business, he sold his personal car for Rs. 1,00,000 and brought half the amount in business
  3. : Bought from Markeshwar goods of Rs.1,60,000 at a trade discount of 10% .
  - 4 : Out of the goods bought from Markeshwar 50% of the goods were sold to Timeshwar at 10% profit on cost.
  - 5 : Open a bank account in NYC bank and paid Rs..3,00,000 in it.
  - 6 : Timeshwar returned goods of Rs.11,000 being not according to samples, and we immediately returned these goods to Markeshwar.
  - 7: There is bad debts of Rs. 15,000 from a debtor.

**OR**

- (a)** Journalize following transaction in the book of Hollywood Ltd. **07**
1. Commenced business with cash Rs. 15000, Machinery Rs. 2000, Stock Rs.1000, Furniture Rs. 6000 and a loan from Yes Bank Rs. 2000.
  2. Spent Rs.1000 for Inauguration of the factory.
  3. Opened an account with HSBBC bank with Rs. 6000.
  4. Bought goods Rs. 1000.
  5. Purchased goods of Rs.2000 for cash at 10% Trade Discount.
  6. Purchased goods from Tom at 10% T. D. and 2% Cash Discount Rs. 4000 and paid half the amount by cheque.
  7. Sold goods to Bond at 10% T. D. and 5% C. D. Rs. 4000 and received a cheque for half the amount.
- (b)** Discuss the concept of Double Taxation. Explain different ways to reduce the problem of Double Taxation. **07**

**Q.5** The following is the Trial Balance available in the book of BBCC Ltd. for the year ending on 31st March, 2025. Prepare Vertical Balance Sheet and Profit and Loss Account as per Company Act.

| Debit Balances                 | Amount Rs. | Credit Balances          | Amount Rs. |
|--------------------------------|------------|--------------------------|------------|
| Calls-in-Arrears(Equity Share) | 1,00,000   | 7.5% Pref. Share Capital | 10,00,000  |
| Opening Stock                  | 3,33,000   | Equity Share Capital     | 20,00,000  |
| Purchases                      | 10,65,000  | Share Forfeiture A/c     | 45,000     |
| Land and Building              | 17,00,000  | Share Premium            | 1,65,000   |
| Plant and Machinery            | 11,50,000  | Capital Reserve          | 5,50,000   |
| Preliminary Expenses           | 60,000     | General Reserve          | 10,40,000  |
| Furniture                      | 3,20,000   | Provident Fund           | 1,30,000   |
| Investments                    | 16,57,000  | 5% Debentures            | 5,00,000   |
| Loose Tools                    | 1,20,000   | Sales                    | 26,00,000  |
| Debtors                        | 6,60,000   | Creditors                | 3,30,000   |
| Productive wages               | 3,52,000   | Profit and Loss A/c      | 55,000     |
| Deb. Red. Fund Investments     | 2,00,000   | Bank Loan                | 2,54,000   |
| Salaries                       | 5,70,000   | Public Deposit           | 1,46,000   |
| Rent, Rates and Taxes          | 2,00,000   | Income from Investments  | 95,000     |
| Director's Fees                | 35,000     | Deb. Red. Fund           | 2,00,000   |
| Postage and Telegrams          | 65,000     | Reserve for Bad Debts    | 30,000     |
| Provident Fund Contribution    | 25,000     | Interest Received        | 15,000     |
| Cash and Bank Balance          | 1,08,000   | Rent Received            | 15,000     |
| Advance Payment of Income Tax  | 2,00,000   | Bad debts reserve        | 10,000     |
| Wages                          | 1,80,000   |                          |            |
| Carriage inward                | 20,000     |                          |            |
| Audit fees                     | 25,000     |                          |            |
| Carriage outward               | 15,000     |                          |            |
| Bad debts                      | 20,000     |                          |            |
| Total                          | 91,80,000  | Total                    | 91,80,000  |

Additional Information:

1. Provide 10% depreciation on Plant and Machinery, 20% depreciation on Furniture and 5% depreciation on Land and Building.
2. Wages Outstanding is Rs.10,000 and Audit fees paid in advance is Rs. 5,000
3. Provide additional bad debts Rs. 10,000 on debtors and keep 10% as bad debts reserve
4. Rent received in advance is Rs. 3,000
5. BOD has decided to give dividend @ 5% to equity share holders

(a) Prepare all the schedules of Profit and Loss statement

07

(b) Prepare vertical Profit and Loss statement.

07

OR

(a) Prepare all the schedules of Balance Sheet

07

**(b)** Prepare the vertical Balance sheet of the firm.

**07**

\*\*\*