

Seat No.: _____

Enrolment No. _____

GUJARAT TECHNOLOGICAL UNIVERSITY
MBA – SEMESTER –I-EXAMINATION – WINTER-2022

Subject Code: 2519301**Date: 21/02/2023****Subject Name: International Accounting Practices****Time:10:30 AM TO 01:30 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.

Q.1 Explain the following terms:**14**

- a) Bills Receivable
- b) A=C+L
- c) Revenue Expenses V/s Deferred Revenue Expenses
- d) Secured Loan
- e) Insolvency
- f) Tax Haven
- g) Brownfield Investment

Q.2 (a) The following Trial Balance is drawn by a person who is not well versed in the accounting process. You are required to re-draft the Trial Balance correctly. **07**

Trial Balance for the year ended March 31, 2020

Particular	Debit ₹	Credit ₹
Capital	53,700	
Stock (1/4/2019)	22,350	
Insurance		6,300
Sales		2,36,550
Purchases	1,38,600	
Salary Expenses	37,230	
Lighting and Heating	1,860	
Plant and Machinery	21,600	
Delivery Expenses		1,380
Rates Paid	2,340	
Depreciation Accumulated	2,100	
Rent Paid	6,690	
Rent Received		3,630
Delivery Vehicle	8,850	
Cash Balance	660	
Trade Creditors	29,550	
Trade Debtors		83,520
Carriage Outward		3,000
Outstanding Rent	3,000	
Bank Overdraft	5,850	
Total	3,34,380	3,34,380

Q.2 (b) International Accounting would involve accounting for offshore transactions of a MNCs' – Discuss the difficulties of International Accounting in the light of given statement. **07**

OR

Q.2 (b) Generally Accepted Accounting Principles vary country to country. Discuss any four Indian GAAP with appropriate examples. **07**

Q.3 (a) eXtensible Business Reporting Language (XBRL) is a language for the electronic communication of business and financial data. Discuss the Importance of XBRL and its application. **07**

Q.3 (b) Journalize the following transactions in the book of M/s Montu & Brothers for the month of April-2022. **07**

April 1, 2022 – Capital ₹ 2,00,000; Debtors ₹ 20,000; Cash-in-hand ₹ 5,000; Cash at Bank ₹ 7,000; Creditors ₹ 22,000; Stock ₹ 15,000; Machinery ₹ 1,50,000; Furniture and Fixtures ₹ 25,000

April 2, 2022 – Received ₹ 1,500 from Mohamed in full settlement of his account of ₹ 2,000

April 3, 2022 – Received ₹ 1,500 from Xavier on his account for ₹ 2,000

April 10, 2022 – Paid ₹ 1,400 to Guru in full settlement for ₹ 1,500

April 15, 2022 – Paid ₹ 1,400 to Veer Singh on his account for ₹ 1,500

April 25, 2022 – Received first and final dividend of 70 paise in the rupee from the official receiver of Mr. Rao who owed ₹ 3,000

April 30, 2022 – Wages paid ₹ 1,000 for erection of plant

OR

Q.3 (a) Journalize following transactions in the book of Pavitra Pvt. Ltd. for the Month of March – 2022 **07**

March 1, 2022 - Sold goods for ₹ 1,25,000

March 3, 2022 - Sold goods to Sathyan for ₹ 25,000

March 5, 2022 - Sold goods to Kashyap for ₹ 20,000 against a cheque

March 7, 2022 - Sold goods to Ajay of the list price of ₹ 50,000 at the trade discount of 10%

March 9, 2022 - Sold goods to Vas of the list price of ₹ 90,000, less with 10% trade discount and received a cheque under a cash discount of 5%.

March 11, 2022 - Sold goods to Dev of list price of ₹ 90,000, less with 10% trade discount and 5% cash discount and paid 50% by cheque

March 13, 2022 - Sold goods to Gopi costing ₹ 1,00,000 for cash at a profit of 25% on cost less 10% trade discount and charged 12 % GST and paid package charge of ₹ 1,000.

Q.3 (b) IFRS published by IASB are the game changer for the disclosure practices in Accounting. Discuss the concept of IFRS and its challenges for implementation. **07**

Q.4 (a) From the below given information of Maruti India Pvt. Ltd. analyze comparative analysis of the firm and interpret the result thereof. **07**

Particular	2020	2021
Shareholder's funds:		
Share Capital	2,00,000	2,00,000
Reserve & Surplus	20,000	10,000
Total (A)	2,20,000	2,10,000
Liabilities:		
Secured Loans	50,000	80,000
Unsecured Loans	1,50,000	60,000
Current Liabilities & Provisions	80,000	50,000
Total (B)	2,80,000	1,90,000
Grand Total (A+B)	5,00,000	4,00,000
Fixed Assets (Net)	3,00,000	2,40,000
Investments	5,000	4,000
Inventories	1,00,000	80,000
Debtors (Net)	80,000	66,000
Cash	15,000	10,000
Grand Total	5,00,000	4,00,000

Q.4 (b) State the objectives of International Taxation. Briefly explain Home Government and Host Government International Tax Policies. **07**

OR

Q.4 (a) "Analysis of Financial Statement is very crucial task for Business Manager" – Do you agree with the statement? Briefly explain Trend analysis method with hypothetical figures with proper interpretation of the results. **07**

Q.4 (b) A company having a net working capital of ₹ 5,00,000 as on 31-3-2020 indicates the following financial ratios and performance figures: **07**

Current Ratio : 3.5
 Liquidity Ratio : 1.5
 Inventory turnover (on cost of sales) : 6 times
 Gross Profit on sales : 20%
 Fixed Assets Turnover Ratio (on cost of sales) : 2 times
 Debt collection period (months) : 2
 The company's fixed assets is equivalent of 80% of its net worth (share capital plus reserves), while reserves amounted to 50% of share capital.
 Prepare the Balance Sheet of the company as on 31-3-2020.

Q.5 The following trial balance of Fuket Pvt. Ltd. as on 31-12-2022.

(Amount in '000)

Debit Balance	Amount ₹	Credit Balance	Amount ₹
Printing and Stationery	500	Capital	89,000
Opening stock	30,000	Sales	1,20,000
Drawings	10,000	Creditors	37,000
Purchase	60,000	Goods return	500
Debtors	55,000	Bad debts reserve	1,900
Plant and machinery	40,000	Bank O.D.	800
Building on Lease (from 1-7-2022 for 5 years)	40,000	Discount	600
Repairs	500		
Goods return	1,000		
Discount	220		
Interest on Bank O.D.	80		
Wages, carriage & octroi	5,200		
Salesman's commission	600		
Bad debts	400		
Salary	5,000		
Insurance, rate and taxes	800		
Cash balance	500		
	2,49,800		2,49,800

Adjustments: (Amount in '000)

1. The closing stock is valued at ₹ 20,000 and includes damaged goods worth ₹ 4000 which is estimated to realize ₹ 2000.
 2. Depreciate plant and machinery at 10%.
 3. ₹ 100 is outstanding for salaries.
 4. Insurance includes ₹ 50 prepaid and ₹ 100 for life insurance premium.
 5. Out of the debtors ₹ 1000 is to be written off as bad debts and provision of 5% on debtors is to be made for doubtful debts.
 6. Goods worth ₹ 1000 is burnt by fire against which the insurance company accepted a claim of 800.
 7. Stock of stationery on 31-12-2022 is 100.
- (a) Prepare all the schedules of P & L & Balance Sheet from the above information **07**
- (b) Prepare Profit and Loss Statement and final Balance Sheet from the above information **07**
- OR**
- (a) Calculate following ratios from the above information: **07**
1. Current Ratio
 2. Liquid Ratio
 3. Debtors Ratio (Considering entire credit sales and 360 days)
- (b) Carryout DuPont Analysis from the information and interpret the result. **07**
