

**GUJARAT TECHNOLOGICAL UNIVERSITY**  
**MBA– SEMESTER –I-EXAMINATION – WINTER-2023**

**Subject Code:2519301****Date: 11-01-2024****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. Debenture
- B. Double Taxation
- C. Host and Home Country
- D. Bills Receivable
- E. Investment
- F. Bad Debts
- G. Types of Assets

**Q.2 (a) Discuss the importance and scope of International Accounting in this current competitive world. 07****Q.2 (b) Journalize the following transactions in the book of Mr. Shah and Company Ltd. And prepare the cash account. 07**

1. Mr. Shah started a business with Cash Rs. 5,00,000, Furniture of Rs. 1,00,000, Shop of Rs. 3,00,000 and a loan from Bharat Ltd. Of Rs. 1,00,000
2. Purchase goods of Rs. 5,00,000 at 10% trade discount and 5% cash discount.
3. Sold the goods of Rs. 10,00,000 at 1% cash discount and received half amount in cash and half through cheque.
4. Purchase a Machinery of Rs. 1,00,000 for the factory.
5. Paid the salary to manager Rs. 25,000 for the month of March

**OR****Q.2 (b) Journalize the following transactions for the month of December-2022 in the books of BATA Ltd. 07**

1. Mohanlal started business with cash Rs. 3,00,000
2. Mohanlal invested Rs. 1,00,000 in the shares of Indore ltd.
3. Purchase the goods of Rs. 2,00,000 at 10% trade discount from Mafatlal and Co.
4. Sold goods which was purchased from Mafatlal and Co. after adding profit of 20% to Aftab Ltd.
5. Paid insurance premium of Shop Rs. 45,000 for the year
6. Due to fire in the factory, goods of Rs. 30,000 burnt by fire and insurance company accepted a claim of 50%
7. Received dividend of Rs. 5,000 in cash.

**Q.3 (a) Discuss Tax equity and Tax neutrality with respect to International taxation. 07****Q.3 (b) Following is the Balance Sheet of CICI Bank Ltd. and FDHC Bank Ltd. for the year 2023. Carry out financial statement analysis by applying appropriate technique and interpret the result in details. 07**

Particular	CICI Bank Ltd.	FDHC Bank Ltd.
Sources of Funds:		
Share Capital	10,00,000	15,00,000
Reserve and Surplus	8,00,000	10,00,000
Secured Loan	3,00,000	7,00,000
Unsecured Loan	4,00,000	8,00,000
<b>Total</b>	<b>25,00,000</b>	<b>40,00,000</b>
Application of the Funds:		
Fixed Assets	15,00,000	25,00,000
Investments	3,00,000	10,00,000
Current Assets	10,00,000	25,00,000
Less: Current Liability	3,00,000	20,00,000
<b>Total</b>	<b>25,00,000</b>	<b>40,00,000</b>

**OR**

- Q.3 (a)** Suzlon Power Ltd. is facing some problem in comparison to its performance last years. It is required to analyze the following profit and loss account by appropriate method and interpret the result. **07**

Particular	2022-23	2021-22
Income:		
Sales and Services	15,00,00,000	10,00,00,000
Less: Return	8,00,000	10,00,000
Interest Income	5,00,000	7,00,000
Other Income	4,00,000	8,00,000
<b>Total (A)</b>	<b>15,17,00,000</b>	<b>10,25,00,000</b>
Expenses:		
Business Expenses	7,15,00,000	3,25,00,000
Depreciation	43,00,000	50,00,000
Interest on Debenture	1,10,00,000	2,25,00,000
Interest on Loan	33,00,000	20,00,000
<b>Total (B)</b>	<b>9,01,00,000</b>	<b>6,20,00,000</b>
<b>Net Profit Before Tax (A-B)</b>	<b>6,16,00,000</b>	<b>4,05,00,000</b>

- Q.3 (b)** Discuss concept and benefits of XBRL reporting. **07**

- Q.4 (a)** Carry out the trend analysis from the information provided as under and interpret the results. **07**

Figures in ('000)

Particular	20-21	19-20	18-19	17-18	16-17	15-16
Sales	35	28	21	18	14	12
Purchase	20	17	14	12	10	9
Share Capital	40	35	30	30	30	30
Net profit	8	7	6	5	4	3
Fixed Assets	27	24	22	20	16	12
Liabilities	15	16	17	18	10	8

- Q.4 (b)** Discuss the Indian GAAP of Accounting Entity, Cost Concept and Matching Concept. **07**

**OR**

- Q.4 (a)** Who are the users of accounting information? Discuss the objectives of these users and explain with appropriate example. **07**

Particular	Mangal Ltd.	Mars Ltd.
Total Sales (Cash sales is 3/5 <sup>th</sup> of Total sales)	8,00,000	12,00,000
Cost of goods sold	<u>6,00,000</u>	<u>8,40,000</u>
Gross Profit	2,00,000	3,60,000
Admin., Selling and Distribution Exp.	<u>80,000</u>	<u>1,20,000</u>
Net Profit before interest and tax	1,20,000	2,40,000

Rate of Tax is 50%

**Other Information:**

Cash and Bank Balance	5,00,000	3,50,000
Debtors	3,00,000	1,50,000
Closing Stock of Goods	2,00,000	1,00,000
Creditors	3,00,000	80,000
Bills payable	90,000	2,50,000
Debenture Discount	20,000	50,000

Considering yourself as the Financial Analyst of the reputed rating agency, calculate following ratios and interpret the result and mention the status of both the companies.

Gross Profit  
 Net Profit  
 Current Ratio  
 Debtors Ratio (consider 300 days)

**Q.5** Shri Chirag has prepared the following Trial Balance as on 31-3-2023. You are required to prepare Final Accounts.

		Amount in (‘000)	
Debit Balance	Amount	Credit Balance	Amount
Trade expenses	4,170	Discount received	2,740
Salaries	18,570	Capital account	1,20,000
Traveling expenses	2,860	Bad debts reserve	1,440
Discount allowed	1,420	Sales	1,88,000
Insurance	12,000	Creditors	30,940
Leasehold building	72,000	Bills payable	6,880
Furniture	9,000		
Opening stock	30,000		
Bank balance	14,480		
Purchases	1,33,470		
Carriage inward	4,200		
Bad debts	2,700		
Debtors	32,000		
Bank charges	50		
Rent	3,000		
Cans on hand	1,080		
10% dep. On fixed assets	9,000		
	<b>3,50,000</b>		<b>3,50,000</b>

Adjustments: (Amount in ‘000)

1. Value of closing stock on 31-3-2023 was 39,670
2. Advance salary paid to staff 250. Rent outstanding is 600
3. Debtors of 1280 on 31-3-2023 are not recoverable and had to be written off. Bad debts reserve is to be kept at 2500
4. Trade expenses included 480 paid for insurance of shop for the year ending 30-6-2023.

- Q.5 (a)** Prepare all the schedules of Profit and Loss statement **07**  
**(b)** Prepare vertical Profit and Loss statement **07**

**OR**

- Q.5 (a)** Prepare all the schedules of Balance Sheet **07**  
**(b)** Prepare the vertical Balance sheet of the firm. **07**

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