

GUJARAT TECHNOLOGICAL UNIVERSITY
MBA-SEMESTER-I-EXAMINATION-WINTER-2024

Subject Code: 2519301

Date: 09/01/2025

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:

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- A. Home Country and Host Country
- B. Secured liability and Unsecured liability
- C. Capital expenses and Review expenses
- D. Cash Discount and Trade Discount
- E. Professional Tax and Fringe Benefit Tax
- F. Cash Transaction and Credit Transaction
- G. Tangible Assets and Intangible Assets

Q.2 (a) Journalize following transaction in the book of Gopal Snacks and prepare the cash account.

07

January-1: Started a business of Namkeen with own savings as a sole proprietorship with cash of Rs. 1,50,000; Furniture of Rs. 50,000, Loan from SBI under Vishwakarma Yojna of Rs. 1,00,000
January-2: Purchase the raw material worth Rs. 75,000
January-3: Sold the goods worth Rs. 1,35,000 to Jain Farsan Gruh
January-4: Sold the goods worth Rs. 55,000 to Mohini Catering Services on credit
January-5: Sold the goods to a big company i.e. Balaji under B2B contract worth Rs. 65,000
January-6: Purchase goods worth Rs. 30,000 on credit from Aashirwad Ltd.
January-7: It is found that Mohini Catering Services become insolvent and only 50paise in a rupee is received as a full settlement.

Q.2 (b) Describe the importance of International Accounting with respect to current VUCA word.

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OR

Q.2 (b) What is XBRL? Discuss the benefits and limitation of XBRL.

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- Q.3 (a)** Prepare the trial balance of M/s Mafatlal and Co. for the year ending 31st March, 2024 from the following balances. **07**

Items	Amount in INR	Items	Amount in INR
Land	2,50,000	Electricity Payable	2,000
Building	1,00,000	Sundry Debtors	40,000
Plant & Machinery	50,000	Bills Payable	60,000
Sales	2,50,000	Purchase	1,00,000
Commission received	25,000	Insurance expenses	1,00,000
Closing stock of Raw Material	15,000	Marketable securities	60,000
Work in progress	10,000	Cash in hand	25,000
Salaries	25,000	Finished goods	25,000
Wages payable	13,000	Cash at bank	35,000
Profit of the previous year	30,000	Sundry Creditors	1,00,000
Capital	3,55,000		

- Q.3 (b)** Discuss the technique of DuPont Analysis with reference to choice of your company. Highlight the key points as a financial manager of the same company. **07**

OR

- Q.3 (a)** Discuss the role of Financial Manager in brief in MNC. **07**

- Q.3 (b)** The financial data of two companies are provided for the year ended 31st March, 2024. Being a financial manager of the reputed firm, analyze the data using appropriate method. **07**

Amount in ('000)

Items	Colgate India Ltd.				Pantanjali Ltd.			
	Year4	Year3	Year2	Year1	Year4	Year3	Year2	Year1
Net working Capital	116	603	840	387	3485	4042	7028	4833
Avg. Daily expenses	72	60	50	42	109	86	73	63
Income	85	65	55	45	250	147	200	154
Non-cash expenses	12	10	8	4	45	47	40	35

- Q.4 (a)** What do you mean by Tax Neutrality and Tax Equity? Discuss in brief. **07**

- Q.4 (b)** Discuss few Indian GAAPs in brief with appropriate example. **07**

OR

- Q.4 (a)** Why the users of accounting information keep eye on the accounting data of the firm? Discuss the list of users with their probable reasons in brief. **07**

- Q.4 (b)** Define Accounting as an information system. Discuss the challenges faced by accountant with respect to international accounting. **07**

Q.5 The balance sheet and other information of HCL Ltd. is provided for two financial years as under.

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(Amount in INR)

Particular	2022-23	2023-24
Sources of Fund		
Equity Share Capital	1,00,000	1,50,000
10% Preference Share Capital	50,000	50,000
Reserve and Surplus	50,000	30,000
12% Debentures	1,00,000	50,000
Total	3,00,000	2,80,000
Application of the Fund		
Land and Building	1,00,000	90,000
Machinery	90,000	90,000
Debtors	53,000	30,000
Bills Receivable	30,000	12,000
Stock	75,000	90,000
Bank Balance	15,000	35,000
Cash Balance	2,000	13,000
Total (a)	3,65,000	3,30,000
Less: Current Liability		
Creditors	30,000	20,000
Bills Payable	20,000	15,000
Bank Over Draft	10,000	10,000
Closing Stock	5,000	5,000
Total (b)	65,000	50,000
Total (a-b)	3,00,000	2,80,000

Additional Information:

Particular	2022-23	2023-24
Sales	3,65,000	2,19,000
Cost of Goods Sold	2,19,000	1,46,000
Net Profit after tax but before Preference Dividend	35,000	47,500

- Q.5 (a)** From the above result, calculate Gross Profit and Net Profit ratio for both the years and interpret the result. **07**
- (b)** Find out Current Ratio and Liquid Ratio for the company and compare the result of both the years. **07**

OR

- Q.5 (a)** Calculate Debtors ratio and Debt-Equity ratio for both the years and compare the results. **07**
- (b)** Calculate Return on Shareholder's fund and Capital Gearing Ratio for both the years. **07**
