

Enrollment No./Seat No.:

GUJARAT TECHNOLOGICAL UNIVERSITY
MBA - SEMESTER - I EXAMINATION - WINTER 2025

Subject Code: MB01093011

Date: 16-01-2026

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.**

	Marks
Q.1 ALL 7 Questions must be Compulsory.	14
(a) Tax Credit	
(b) Steeped Fixed Cost	
(c) Double Taxation	
(d) Materiality Concept	
(e) XBRL	
(f) Long term Liability	
(g) Intangible Assets	
Q.2 (a) Journalize following transactions in the book of Bangal Tigers Ltd.	07
1. Banergee started business with cash Rs. 1,00,000	
5. Purchased goods for cash Rs. 80,000 from Srivastava Ltd.	
10. Opened a bank account in CICIC Ltd. with Rs. 50,000	
11. Purchased furniture from Kolkata Ltd. Co. Rs. 60,000 AND Purchased goods from Rasogulla Traders of Rs. 45,000 by cheque.	
17. Sold goods to Victoria and Sons Rs. 32,000	
21. A crossed cheque of Rs. 65,000 was received against Rs. 66,500 from Howra Bridge Pvt. Ltd. as the settlement of last month sales.	
25. Paid salary to CEO Mr. Joy Rs. 60,500	
(b) It seems that Full Disclosure and Conservatism Concepts are contradicting each other. However, both are equally applicable to current multinational organizations – Explain.	07
OR	
(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

- Q.3 (a)** Following is the Balance Sheet of BSI Bank Ltd. and PBN Bank Ltd. for the year 2024. Carry out financial statement analysis by applying appropriate technique and interpret the result in details.

07

Particular	BSI Bank Ltd.	PBN Bank Ltd.
Sources of Funds:		
Share Capital	20,00,000	25,00,000
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
Total	35,00,000	50,00,000
Application of the Funds:		
Fixed Assets	25,00,000	25,00,000
Investments	3,00,000	10,00,000
Current Assets	10,00,000	25,00,000
Less: Current Liability	3,00,000	10,00,000
Total	35,00,000	50,00,000

- (b)** BEP (Break-Even Point) analysis is a financial tool to find the sales level where total revenue equals total costs. – Discuss the benefits of BEP analysis and concept of PVR in detail.

07

OR

- (a)** What is Budget? Discuss the concept of Flexible Budget with respect to hypothetical figures.

07

- (b)** Prepare a Cash Budget for three month ending 30-6-2026 from the following information. Cash Balance as on 1-4-2026 Rs. 90,000

07

Month	Total Sales Rs.	Credit Sales Return Rs.	Total Purchases Rs.
Feb.	2,40,000	20,000	1,40,000
March	2,60,000	30,000	1,60,000
April	3,00,000	50,000	1,80,000
May	2,80,000	40,000	1,50,000
June	2,70,000	60,000	1,90,000

1. Assume the proportion of credit and cash sales as 2:1.
2. Assume 20% of total purchase to be cash purchases.
3. 50% of net credit sales are realized in the month following the sales and remaining 50% in the second month.

- Q.4 (a)** Describe the objectives of International Taxation. Briefly explain Host Government Tax Policies.

07

- (b) Sakar Manufacturing Co. manufactures a E-vehicle. The cost of production of a water pump is as follows.

07

Material per EV	Rs. 80
Wages per EV	Rs. 120
Variable charges per EV	50% of wages
Fixed overhead per annum	Rs. 6,00,000
Selling price per EV	Rs. 500

Find out:

1. Break – even sales
2. Sales to make a profit Rs. 1,00,000

OR

- (a) Sumul company manufactures one standard type of calculators. Its annual production capacity is 40,000 units. The information is given as per 40% and 60% production capacity for cost estimate as under.

07

Particular	40% Production Rs.	60% Production Rs.
Direct Materials	8,00,000	12,00,000
Direct Wages	4,80,000	7,20,000
Other Direct Expenses	3,20,000	4,80,000
Semi-Variable Overheads:		
Factory	14,00,000	16,00,000
Office	10,40,000	11,60,000
Selling and Distribution	5,60,000	6,40,000
Total Fixed Overheads	12,00,000	12,00,000
Profit or Loss	-2,00,000	+14,00,000

You are requested to prepare flexible budget and find out profits or losses as per production at 50% and 75% production capacity.

- (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.5

The Summarise Balance sheets of Hathi Cement Ltd. and Ambuja Cement Ltd. for the year ending 31 – 3 – 2023 is given below. From the below given information calculate following ratios and compare the profitability and solvency of the company.

Liability	Hathi	Ambuja	Assets	Hathi	Ambuja
Equity Capital	3,00,000	3,50,000	Fixed Assets	7,50,000	5,30,000
10% Pref. Capital	2,00,000	1,00,000	Stock	1,60,000	80,000
Reserves	2,20,000	1,60,000	Debtors	70,000	65,000
10% Debentures	3,00,000	1,00,000	Cash Balance	60,000	50,000
Bank O. D.	40,000	45,000	Preliminary Exp.	20,000	30,000
Total	10,60,000	7,55,000	Total	10,60,000	7,55,000

Additional Information:

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

Rate of Tax is 50%.

(a) Calculate Net Profit Ratio as well as Return on Capital Employed and compare the result of both the companies **07**

(b) Calculate Proprietary Ratio as well as Current Ratio and compare the result of both the companies **07**

OR

(a) Calculate Debtors Ratio as well as Quick Ratio and compare the result of both the companies **07**

(b) Calculate Fixed Assets to Sales Ratio as well as Capital gearing Ratio and compare the result of both the companies **07**
