Roll No. Total No. of Pages : 02

Total No. of Questions : 17

M.Com.(2018 Batch) (Sem.–3)

INTERNATIONAL ACCOUNTING

Subject Code : MCOPAF 311-18

M.Code : 76831

Time : 3 Hrs. **Max. Marks : 60**

INSTRUCTIONS TO CANDIDATES :

1. SECTION-A contains EIGHT questions carrying TWO marks each and students has to attempt ALL questions.
2. SECTIONS-B consists of FOUR Subsections : Units-I, II, III & IV. Each Subsection contains TWO questions each carrying EIGHT marks each and student has to attempt any ONE question from each Subsection.
3. SECTION-C is COMPULSORY and consist of ONE Case Study carrying TWELVE marks.

SECTION-A

Write short notes on the following :

1. Foreign Exchange Risk
2. IFRs
3. Transfer Pricing
4. OECD
5. Financial Reporting under Companies Act 2018
6. Culture and International Accounting
7. Benefits of Standardization
8. Tax Neutrality

SECTION-B

UNIT-I

9. What is an international Accounting? Give its domain.
10. Give in detail role and structure of International Accounting Standard Board.

UNIT-II

11. Explain the objectives of international Transfer Pricing.

12. What are various issues involved in consolidation of financial statements?

UNIT-III

13. Write short notes on the following :

    a) Hedging Foreign Exchange Risk

    b) IFRS 12

14. Explain in detail various risks and issues involved due to foreign exchange rates.

UNIT-IV

15. What are the reporting problems faced by MNCs?

16. What are various ethical issues involved in international Accounting? How these issues can be addressed?

SECTION-C

17. Case Study :

A company has two divisions, A and B. Division A manufactures a component which is used by Division B to produce a finished product. For the next period, output and costs have been budgeted as follows :

Particulars	Division A	Division B
Component Units	50,000	
Finished Units		50,000
Total variable costs	Rs. 2,50,000	Rs.6,00,000
Fixed Costs	Rs. 1,50,000	Rs.2,00,000

The fixed costs are separable for each division. You are required to advice on the transfer price to be fixed for Division A's component under the following circumstances:

a) Division A can sell the components in a competitive market for Rs. 10 per unit. Division B can also purchase the component from the open market at that price.

b) As per situation described in a) above, and further assume that Division B currently buys the component from an external supplier at the market price of Rs. 10 and here is reciprocal agreement between the external supplier and another Division C, within the group. Under this agreement the external supplier agrees to buy one product unit from Division C, at a profit of Rs.4 per unit to that division, for every component which Division B buys from the supplier.

NOTE : Disclosure of Identity by writing Mobile No. or Making of passing request on any page of Answer Sheet will lead to UMC against the Student.