

## MULTIPLE CHOICE QUESTIONS

### Question 1 - Dec 2023, JUNE 2025 IND AS 8

PEARL Ltd. changes its method of valuation of inventories from weighted-average method to first-in, first-out (FIFO) method. The Accountant opines that Ind AS 8 is applicable. PEARL Ltd. should account for this change as:

- A change in estimate and account for it prospectively.
- A change in accounting policy and account for it prospectively.
- A change in accounting policy and account for it retrospectively.
- Account for it as a correction of an error and account for it retrospectively.

Answer: A change in accounting policy and account for it retrospectively; Option: c

### Question 2 - Dec 2012 IND AS 12

A Deferred tax Asset should be recognized only when there is certainty of future taxable income to realize. This is based on the consideration of

- Prudence
- Conservation
- Caution
- Consistency.

Option: A; Answer: Prudence

### Question 3 - June 2023 IND AS 12

From the given information, you are required to compute the Deferred Tax Assets (DTA) and Deferred Tax Liability (DTL) for CBDT Ltd. as on 31<sup>st</sup> March, 2023. The tax rate applicable is 35%.

- The company has charged a depreciation of Rs 7,42,900 in its Books of Accounts while as per Income Tax computation, the depreciation available to the company is Rs 8,65,400.
- The company has made Provision for Doubtful Debts for Rs 54,300 during the year.
- The company has debited Share Issue Expenses of Rs 6,23,500 which will be available for deduction under the Income Tax Act from the next year.
- The expenses of Rs 7,84,500 has been charged to the Profit and Loss Account which are disallowed under the Income Tax Act.
- The company has made a Donation of Rs 2,00,000 which has been debited to the Profit and Loss Account and only 50% thereof will be allowed as a deduction as per Income Tax Act.

- DTA 2,18,225, DTL 42,875
- DTA 2,18,225, DTL 42,857
- DTA 2,18,252, DTL 42,875
- None of the above

Answer: DTA 2,18,225, DTL 42,875; Option: a

### Question 4 IND AS 16

Property Plant and Equipment (PPE) are initially recognized at \_\_\_\_\_

- purchase price
- fair value
- cost
- future economic benefits

Answer: Cost; Option: C

### Question 5 - Dec 2023 IND AS 16

CORE Ltd. has a plant with a carrying amount of Rs 1,20,000 as on April 1, 2022. Useful life is 10 years of which 4 years remains on the date. The company decides to revalue the plant to Rs 2,00,000 on April 1, 2022 and recognize revaluation reserve of Rs 80,000. Calculate depreciation to be accounted for in the Statement of Profit or Loss in 2022-23.

- Rs 30,000
- Rs 50,000
- Rs 12,000
- Rs 10,000

Answer: Rs 50,000; Option: b

### Question 6 - June 2024 IND AS 16

On April 1, 2019, RIHAND Ltd. purchased heavy-duty equipment for Rs 4,00,000. On the date of installation, it was estimated that the machine has a useful life of 10 years and a residual value of Rs 40,000. Accordingly, the annual depreciation worked out to Rs 36,000 = [(Rs 4,00,000-Rs 40,000)/10]. On April 1, 2023, after four years of using the equipment, the company decided to review the useful life of the equipment and its residual value. Technical experts were consulted. According to them, the remaining useful life of the equipment at April 1, 2023 was seven years and its residual value was Rs 46,000. Compute the revised annual depreciation for the year 2023-24 and future years.

- Rs 40,000
- Rs 36,000
- Rs 50,571
- Rs 30,000

Answer: Rs 30,000; Option: D

### Question 7 - June 2024 IND AS 16

Narmada Ltd. owns a machinery which is carried in its Balance Sheet at the carrying amount of Rs 15 million. The fair value of the machinery is Rs 22.5 million. It exchanges this machinery for a building having a fair value of Rs 30 million and pays additional cash of Rs 4.5 million. As per the relevant Ind AS, the profit on exchange of machinery is:

- Rs 7.5 million
- Rs 12 million
- Rs 19.5 million
- None of the above

Answer: Rs 7.5 million; Option: A

### Question 8 - June 2024 IND AS 21

Harish Ltd. has taken a loan of USD 22,000 @5% p.a., for constructing a plant, interest payable on which is annual. On 1<sup>st</sup> April, 2023, the exchange rate was Rs 45 per USD. The exchange rate on 31<sup>st</sup> March, 2024 is 48 per USD. Had Harish Ltd. borrowed the corresponding amount from Union Bank of India, the rate of interest would have been 11% p.a. The borrowing cost to be capitalized for the year ended 31<sup>st</sup> March, 2024 as per the relevant Ind AS is:

- Rs 52,800
- Rs 1,08,900
- Rs 56,100
- Rs 66,000

Answer: Rs 1,08,900; Option: b

### Question 9 - June 2025 IND AS 21

An entity purchases plant from a foreign supplier for \$3 million on January 31, 2025, when the exchange rate was Rs 72 = 1\$. At the entity's year-end on March 31, 2025, the amount has not been paid. The

closing exchange rate was Rs 75 = \$1. The entity's functional currency is the INR. Which of the following statements is correct?

- A) Cost of plant Rs 216 million, exchange loss Rs 9 million, trade payable Rs 225 million.  
 B) Cost of plant Rs 225 million, exchange loss Rs 9 million, trade payable Rs 225 million.  
 C) Cost of plant Rs 216 million, exchange loss Rs 9 million, trade payable Rs 216 million.  
 D) Cost of plant Rs 216 million, exchange loss Rs nil, trade payable Rs 216 million.

Answer: Cost of plant Rs 216 million, exchange loss Rs 9 million, trade payable Rs 225 million; Option: A

#### Question 10 - June 2012 IND AS 21

RAJASTHALI Ltd. purchased Fixed Assets costing Rs 6,000 lakhs on 1.4.2011 and the same was fully financed by Foreign Currency Loan (U.S. Dollars) payable in three annual equal instalments. Exchange rates were 1. Dollar = Rs 40 and Rs 42.50 as on 1.04.2011 and 31.03.2012 respectively. First instalment was paid on 31.03.2012. Exchange Difference to be charged to P & L A/c for the year 2011 -12 will be:

- A) Rs 375 lakhs      B) Rs 250 lakhs      C) Nil      D) None of these.

Option: A

Answer: Rs 375

Foreign Currency Loan = Rs 6,000 lakhs / Rs 40 = 150 lakhs US Dollars

Exchange difference = 150 lakhs US Dollars x (42.50 - 40.00) = Rs 375 lakhs (including exchange loss on payment of first instalment)

Therefore, entire loss due to exchange differences amounting Rs 375 lakhs should be charged to Profit and Loss Account for the year.

#### Question 11 - Dec 2012 IND AS 21

NANDITHA LTD. has imported \$ 50,000 worth of goods from CHICAGO TRADERS of USA on 30.2.2012 when exchange rate was Rs 55.00 per US \$. The payment for imports was made on 30.6.2012 when exchange rate was Rs 55.50 per US \$. If the rate of exchange to be charged /debited charged/debited to Profit & Loss Account for the year 2012-13 will be

- A) Rs 25,000      B) Rs 45,000  
 C) Rs 20,000      D) None of (A), (B) and (c).

Option: A

Answer: Rs 25,000

Exchange difference on settlement on monetary items should be transferred to profit & Loss Account as gain or loss. Therefore (Rs 55.50 - Rs 55.00) x \$ 50,000 = Rs 25,000 will be debited to profit & Loss Account for the year 2012-13.

#### Question 12 June 2019 IND AS 21

Utkarsh Ltd. declares the following information:

Exchange Rate (USD/IND Rs)

|   |       |
|---|-------|
| Purchased goods on 12.03.2018 of USD 1,00,000 | 68.60 |
| Exchange rate as on 31.03.2018                | 69.00 |
| Date of actual payment is 12.04.2018          | 69.50 |

What will be the gain/loss to be booked in the financial year 2018-19?

- A) Rs 90,000 (loss)      B) Rs 40,000 (loss)  
 C) Rs 1,30,000 (loss)      D) None of the above

Option: D

Answer: None of the above

Exchange difference on settlement of monetary items should be transferred to Profit & Loss A/c. Here loss to be debited to Profit & Loss A/c in 2018-19 is Rs (1,00,000 x 69.50) - (1,00,000 x 69.00) = Rs 50,000.

#### Question 13 - June 2012 IND AS 23

BHARAT & TUSHAR Ltd. obtained a Loan from a bank for Rs 240 lakhs on 30.04.2011. It was utilized for: Construction of a shed Rs 100 lakhs, Purchase of a machinery Rs 80 lakhs, Working Capital Rs 40 lakhs, Advance for purchase of truck Rs 20 lakhs, Construction of shed was completed in March 2012. The machinery was installed on the same date. Delivery truck was not received. Total interest charged by the bank for the year ending 31.03.2012 was Rs 36 lakhs. Interest to be debited to Profit & Loss account will be:

- A) Rs 36 lakhs      B) Rs 21 lakhs      C) Rs 9 lakhs      D) None of these.

Option: B

Answer: Rs 21 lakhs;

Qualifying Asset = Rs 100 lakhs (construction of a shed)

Borrowing cost to be capitalized =  $36 \times 100/240 = Rs 15$  lakhs

Interest to be debited to Profit or Loss account = Rs (36 - 15) lakhs = Rs 21 lakhs

#### Question 14 Dec 2018 IND AS 36

vini Ltd. has an asset, which was purchased on 01.04.2016 at Rs 1,000 lakhs and estimated salvage value was Rs 100 lakhs. The life of the asset is 5 years. The Company applies straight line method for depreciation As at 31.03.2018 value in use is Rs 400 lakhs and the net selling price is Rs 375 lakhs. The amount of impairment loss for 2017- 2018 is

- A) Rs 420 lakhs      B) Rs 200 lakhs  
 C) Rs 240 lakhs      D) Rs 265 lakhs

Option: C

Answer: Rs 240 lakhs

Recoverable amount is higher of value in use Rs 400 lakhs and net selling price Rs 375 lakhs.

Recoverable amount = Rs 400 lakhs

Impairment loss = Carried amount - Recoverable amount.

Carried amount or book value as on 31.03.2018

Depreciation for two years = Rs (1000 - 100) lakhs / 5 x 2 = Rs 360 lakhs

Carried amount = Rs (1000 - 360) lakhs = Rs 640 lakhs.

Therefore, Impairment loss = Rs (640 - 400) lakhs = Rs 240 lakhs.

#### Question 15 - Dec 2024 IND AS 36

A Ltd. has a machine whose original cost was Rs 1,20,000. The accumulated depreciation on the machine is Rs 45,000. Similar machine has recently been sold in the same locality at Rs 65,000 with selling expenses

Rs 4,000. Management determined the entity specific present value of future cash flows of the machine as Rs 68,000. Impairment loss will be

- A) Rs 10,000                      B) Rs 6,000                      C) Rs 14,000                      D) Rs 7,000

Answer: Rs. 7,000; Option: D

**Question 16 - June 2024 IND AS 36**

EARTH Ltd. purchased an equipment for Rs 51 lakh on April 1, 2023. The useful life of the equipment is 5 years and the residual value is estimated to be Rs 1 lakh. The company adopts straight line method of depreciation. On March 31, 2024, a test for impairment was conducted after obtaining the following information:

Fair value less costs to sell Rs 36 lakh

Value in use Rs 32 lakh

Regard to Ind AS 36, calculate the impairment loss to be recognized for the year ending March 31, 2024.

- A) Rs 4,00,000                      B) Rs 9,00,00  
C) Rs 5,00,000                      D) None of the above

Answer: Rs 5,00,000; Option: c

**Question 17 - Dec 2012 IND AS 36**

SOFTEX LTD. is having a plant (asset), carrying amount of which is Rs 40 lakh on March 31, 2012. Its balance useful life is 3 years and residual value at the end of 3 years is Rs 3 lakh. Estimated future cash flow from using the plant will be Rs 10 lakh per annum for 3 years. If the discount rate is 10% "the Value in Use" for the plant will be

[Given : PVIFA (10%, 3 yrs) = 2.487 and PVIF (10%, 3 yrs) = 0.7513]

- A) Rs 27.124 lakh                      B) Rs 22.001 lakh  
C) Rs 21.870 lakh                      D) Insufficient Information.

Option: A

Answer: Rs 27.124 lakh

Present value of future cash flows for 3 years:  $10 \times 2.487 = \text{Rs } 24.870 \text{ Lakh}$

Present value of residual value on 31.3.2015 =  $3 \times 0.7513 = \text{Rs } 2.254 \text{ Lakh}$

Value in Use =  $\text{Rs } 27.124 \text{ Lakh}$

**Question 18 - Dec 2023 IND AS 38**

GALAXY Ltd. is developing a new production process. During the financial year ended 31<sup>st</sup> March, 2022, the total expenditure incurred was Rs 50 lakhs. This process met the criteria for recognition as an intangible asset on 1<sup>st</sup> December, 2021. Expenditure incurred till this date was Rs 22 lakhs. Further expenditure incurred on the process for the financial year ending 31<sup>st</sup> March, 2023 was Rs 80 lakhs. As at 31<sup>st</sup> March, 2023, the recoverable amount of knowhow embodied in the process is estimated to be Rs 72 lakhs. This includes estimates of future cash outflows as well as inflows. The amount of impairment loss for the year ended 31<sup>st</sup> March, 2023 is:

- A) Rs 80 lakhs                      B) Rs 36 lakhs  
C) Rs 28 lakhs                      D) Rs 72 lakhs

Answer: Rs 36 lakhs; Option: B

**Question 19 - Dec 2024 IND AS 38**

MILKYWAY Ltd. is conducting research in respect of attaching self-charging batteries in all its vehicles. It has already incurred Rs 15 lakh last year for this research. During the year (2023-24), it incurs Rs 5,00,000 each month as a part of its research expenditure. On 01.05.2023, directors found that the research is successful and is going to bring a cash flow of Rs 300 lakh in the coming years to the company. Calculate the impact of the above transaction in the financial year ended 31<sup>st</sup> March, 2024 in the books of MILKYWAY Ltd.

- A) Expenses Rs 70 Lakh and Intangible Asset Rs 300 Lakh  
B) Expenses Rs 55 Lakh and Intangible Asset Rs 15 Lakh  
C) Expenses Rs 5 Lakh and Intangible Asset Rs 55 Lakh  
D) None of the above

Answer: Expenses Rs 5 Lakh and Intangible Asset Rs 55 Lakh; Option: C

**Question 20 June 2019 IND AS 38**

During 2017-18, Mindblogger Ltd. incurred costs to develop and produce a mobile application computer software product, as follows:

|   |                |
|---|----------------|
| Completion of detailed program design                                       | Rs 23,00       |
| Cost incurred for coding and testing to establish technological feasibility | Rs 20,000      |
| Other coding costs after establishing technological feasibility             | Rs 39,000      |
| Other testing costs after establishing technological feasibility            | Rs 31,000      |
| Cost of producing product masters for training purposes                     | Rs 30,000      |
| What amount should be capitalized as software cost?                         |                |
| A) Rs 43,000  | B) Rs 70,000   |
| C) Rs 23,000  | D) Rs 1,00,000 |

Option: D

Answer: Rs 1,00,000

Costs incurred after establishing technological feasibility should be capitalised (Rs 39,000 + Rs 31,000 + Rs 30,000) = Rs 1,00,000 is to be capitalised and costs incurred before establishing technological feasibility is to be treated as expense as and when it is incurred.

**Question 21 - Dec 2023 IND AS 102**

On 01.04.2022 AURA Ltd. granted 100 share options to each of its 200 employees. The options will vest on 31.03.2025 subject to the condition that they remained as employees for the three years ending 31.03.2025. On 01.04.2022, the fair value of one share option was 200 and this had increased to 240 by 31.03.2023. On 01.04.2022, the directors estimated that 180 employees would qualify for these options. At 31.03.2023, this estimate was 190 employees. Calculate the amount to be recognised as expense for the year ended 2022-23.

- A) Rs 13,33,330                      B) Rs 12,66,667  
C) Rs 15,20,000                      D) None of the above

Answer: Rs 12,66,667; Option: B

**Question 22 - June 2025 IND AS 102**

Puwa Ltd. grants 100 equity share options to each of its 4000 employees conditional on their continuing in service for 3 years. Fair value of equity share option on the grant date is Rs 60. Nominal value of each share is Rs 10. The Remuneration Expense for each year will be \_\_\_\_\_.

- A) Rs 2,40,00,000  
B) Rs 80,00,000  
C) Rs 40,00,000  
D) Rs 13,33,333

Answer: Rs 80,00,000; Option: B

**Question 23 IND AS 103**

How is non-controlling interest shown in the financial statements of the acquirer at the time of a business combination under Ind AS 103.

- A) It is shown as a liability  
B) It is shown as an item under equity  
C) It is not shown in balance sheet  
D) Non-controlling interest is not recognised

Answer: It is shown as an item under equity; Option: B

**Question 24 IND AS 103**

As per Ind AS 103, while accounting and reporting for business combination goodwill is calculated as

- A) Consideration + Non controlling Interest + Fair value of previously held interest in the Acquire - Net assets  
B) Consideration + Non controlling Interest - Fair value of previously held interest in the Acquire - Net assets  
C) Consideration - Non controlling Interest + Fair value of previously held interest in the Acquire - Net assets  
D) Consideration - Non controlling Interest - Fair value of previously held interest in the Acquire - Net assets

Answer: Consideration + Non controlling Interest + Fair value of previously held interest in the Acquire - Net assets; Option: A

**Question 25 IND AS 103**

Ind AS 103 has a wider scope than \_\_\_\_\_

- A) AS 15  
B) AS 14  
C) AS 16  
D) AS 13

Answer: AS 14; Option B

**Question 26 IND AS 103**

If a parent loses control of a subsidiary, it shall derecognise

- A) the assets (including any goodwill) and liabilities of the subsidiary at their carrying amounts at the date when control is lost  
B) the carrying amount of any non-controlling interests in the former subsidiary at the date when control is lost (including any components of other comprehensive income attributable to them)  
C) the fair value of the consideration received, if any, from the transaction, event or circumstances that resulted in the loss of control  
D) Both A. and B.

Answer: the fair value of the consideration received, if any, from the transaction, event or circumstances that resulted in the loss of control; Option: D

**Question 27 IND AS 103**

In business combination, control of business can be obtained by

- A) acquiring assets and assuming liabilities (such assets and liabilities must constitute a business, otherwise it is not a business combination)  
B) by acquisition of shares  
C) by other legal process  
D) All of the above

Answer: All of the above; Option: D

**Question 28 IND AS 103**

When after business combination, acquiree ceases to exist, it is to be recorded in the books of the one set only, in its stand-alone accounts

- A) Acquirer  
B) Acquire  
C) both A. and B.  
D) either A. or B.

Answer: Acquirer; Option: A

**Question 29 IND AS 103**

As per Ind AS 103 Appendix C, accounting and reporting for business combination under common control is done under

- A) Acquisition Method  
B) Purchase method  
C) Pooling of interest method.  
D) None of the above

Answer: Pooling of interest method; Option: C

**Question 30 IND AS 103**

As per Ind AS 103, while accounting and reporting for business combination goodwill is calculated as

- A) Consideration + Non controlling Interest - Net assets  
B) Consideration - Non controlling Interest + Net assets  
C) Consideration - Non controlling Interest - Net assets  
D) Consideration + Non controlling Interest + Net assets

Answer: Consideration + Non controlling Interest - Net assets; Option: A

**Question 31 IND AS 103**

Ind AS 103 states that the acquirer obtaining control over acquire, recognises and measures in its consolidated financial statements at the acquisition date

- A) the identifiable assets acquired, the liabilities assumed at Fair Value  
B) any non-controlling interest in the acquire at Fair Value or at Proportionate Value  
C) the goodwill acquired in the business combination or a gain on bargain purchase  
D) All of the above

Answer: All of the above; Option: D

**Question 32 - June 2023 IND AS 103**

Which of the following is false?

- A) As per Ind AS 103, Business combinations under common control shall be accounted for using the Pooling of Interest Method and Other Business combinations shall be accounted for using the Acquisition Method.
- B) As per Ind AS 103, while accounting and reporting for a business combination, Goodwill = Consideration + Non controlling Interest - Net assets
- C) Non-controlling interest is recognised either at fair value or at a proportionate fair value of identified net assets in the books of the Acquiree at the time of a business combination under Ind AS 103 and is shown as an item under Equity in the Balance Sheet.
- D) None of the above

Answer: None of the above, Option: D

**Question 33 - Dec 2023 IND AS 103**

X has acquired 100% of the equity of Y on March 31, 2023. The purchase consideration comprises of an immediate payment of Rs 100 lakhs and three further payments of Rs 5.0 lakhs if the Return on Equity exceeds 20% in each of the subsequent three financial years. A risk adjusted discount rate of 20% is used. The value of total consideration at the acquisition date is

- A) Rs 100 lakhs  
B) Rs 110.532 lakhs  
C) Rs 110 lakhs  
D) Rs 115 lakhs

Answer: Rs 110.532 lakhs; Option: b

**Question 34 - Dec 2023 IND AS 103**

Q Ltd. acquired a 60% interest in R Ltd. on January 1, 2022. Q Ltd. paid 1,800 Lakhs in cash for their interest in R Ltd. The fair value of R Ltd.'s assets is Rs 4,000 Lakhs, and the fair value of its liabilities is Rs 2,000 Lakhs. If NCI is valued at fair value, goodwill amounts to:

- A) Rs 600 lakhs  
B) Rs 500 lakhs  
C) Rs 1,000 lakhs  
D) Rs 700 lakhs

Answer: Rs 1,000 lakhs; Option: C

**Question 35 - June 2024 IND AS 103**

DAWN Ltd. has acquired 100% of the equity of NIGHT Ltd. on March 31, 2024. The purchase consideration comprises of an immediate payment of Rs 20 lakh and three further payments of Rs 2 lakh each if the return on equity exceeds 16% in each of the subsequent three financial years. On the acquisition date, the aggregate value of DAWN's identifiable net assets is Rs 22,00,000. Calculate purchase consideration and Goodwill/gain on bargain purchase. Assume discount rate @ 10%.

- A) Purchase consideration Rs 20,00,000 and gain on bargain purchase Rs 2,00,000  
B) Purchase consideration Rs 26,00,000 and goodwill Rs 4,00,000  
C) Purchase consideration Rs 24,97,360 and goodwill Rs 4,97,360  
D) Purchase consideration Rs 24,97,360 and goodwill Rs 2,97,360

Answer: Purchase consideration Rs 24,97,360 and goodwill Rs 2,97,360; Option: D

**Question 36 - Dec 2024 IND AS 103**

At what value is non-controlling interest recorded in the books of the Acquirer at the time of a business combination transaction under Ind AS 103?

- A) It is recognized at fair value only.  
B) It is recognized at proportionate fair value of identified net assets only.  
C) It is recognized either at fair value or at proportionate fair value of identified net assets.  
D) It is not recognized at all.

Answer: It is recognized either at fair value or at proportionate fair value of identified net assets, Option: C

**Question 37- Dec 2024 IND AS 103**

On 1<sup>st</sup> January 2024, A Ltd. acquires 80 per cent of the equity interests of B Ltd. in exchange of cash of Rs 600 lakhs. The identifiable assets are measured at Rs 925 lakhs and the liabilities assumed are measured at Rs 150 lakhs. The fair value of the 20 per cent non-controlling interest in B Ltd. is Rs 90 lakhs. The gain on bargain purchase will be \_\_\_\_\_.

- A) Rs 90 lakhs  
B) Rs 85 lakhs  
C) Rs 105 lakhs  
D) Rs 75 lakhs

Answer: Rs 85 lakhs; Option: B

**Question 38 - June 2025 IND AS 103**

C Ltd. acquires 60% of N Ltd. for Rs 97,50,000. The fair value of its identifiable net assets is Rs 1,50,00,000. The fair value of 40% of the equity shares owned by the non-controlling shareholders is Rs 65,00,000. Carrying amount of N Ltd.'s net assets is Rs 1,20,00,000. Calculate the value of goodwill when NCI is measured as proportionate share of identifiable net asset.

- A) Rs 12,50,000  
B) Rs 30,00,000  
C) Rs 7,50,000  
D) Rs 32,50,000

Answer: Rs 7,50,000; Option: C

**Question 39 - June 2025 IND AS 103**

Mahi Ltd. and Pooja Ltd. amalgamated from 1<sup>st</sup> January, 2025. A new Company Majoo Ltd. with shares of Rs 10 each was formed to take over the businesses of the existing companies. Net Assets taken over of Mahi Ltd. and Pooja Ltd. are Rs 90.5 Lakhs and Rs 97.0 Lakhs respectively. Total purchase consideration payable is Rs 130 Lakhs. How many shares in Majoo Ltd. will be issued to Mahi Ltd.?

- A) 6,27,467 Shares  
B) 6,72,533 Shares  
C) 9,70,000 Shares  
D) 6,50,000 Shares

Answer: 6,27,467 Shares; Option: A

**Question 40 - June 2012 IND AS 103**

In case of Demerger:

- A) Demerged Company issues Shares of the Resulting Company.  
B) Resulting Company issues Shares to the Demerged Company.  
C) Resulting Company issues Shares to the Shareholders of Demerged Company.  
D) Demerged Company issues Shares to the Shareholders of Resulting Company.

Option: C

Answer: Resulting Company issues Shares to the Shareholders of Demerged Company

Tutorial Note: Demerger is the act of splitting off a par. of an existing company to become a new company, which operates completely separate from the original company. Shareholders of the original company are usually given an equivalent <sup>^</sup> in the new company. A demerger is often done to help each of the segments to operate more smoothly, as they can now focus on a more specific task.

**Question 41 - June 2023 IND AS 108**

ALOE VERA TULSI Ltd. Gives the following data pertaining to its six segments:

| Particulars      | A    | B    | C   | D   | E   | F   | Total |
|------------------|------|------|-----|-----|-----|-----|-------|
| Segment Assets   | 200  | 336  | 132 | 62  | 96  | 54  | 880   |
| Segment Results  | 260  | -760 | 40  | 40  | -40 | 60  | -400  |
| Segments Revenue | 1200 | 2480 | 300 | 240 | 340 | 240 | 4800  |

Deferred Tax Assets included in the assets of each segment are A - Rs 20 lakhs, B - Rs 16 lakhs, C - Rs 12 lakhs, D - Rs 2 lakhs, E - Rs 16 lakhs, F - Rs 14 lakhs. Identify the Reportable Segments as per Ind AS 108.

- A) A, B, C, D, E, F  
B) A, B, C, D, E  
C) A, B, C, F  
D) A, B, C, E

Answer: A, B, C, E; Option: d

**Question 42 - June 2012 IND AS 108**

M/s XYZ Ltd. has three segments namely X, Y, Z. The total assets of the Company are: Segment X Rs 2.00 crores, Segment Y Rs 6.00 crores and Segment Z Rs 12.00 crores. Deferred tax assets included in the assets of each Segments are X Rs 1 crore, Y Rs 0.80 crores and Z Rs 0.60 crores. The accountant contends that all the three all the three Segments are reportable segments. Correct position is:

- A) X, Y, and Z are reportable segments  
B) Only X and Y are reportable segments  
C) Only X and Z are reportable segments  
D) Only Y and Z are reportable segments.

Option: B

Answer: Only X and Y are reportable segments

Segment assets do not include income tax assets. Therefore, the revised total assets are 17.6 crores [20 crores - (1 +0.8 +0.6)] Segment X holds total assets of 1 crore [2 crore-1 crore]; Segment Y holds 5.2 crores (6 crores - 0.8 crores); and Segment Z holds 11.4 crores (12 crores - 0.6 crores) Thus, only Y and Z hold more than 10% of the total assets and hence Only Y and Z are reportable segments.

**Question 43 - Dec 2012 IND AS 108**

FICKLE LTD. has five business segments with operating profits and losses as shown below:

| Segment | Operating Profit/(Loss) (Rs in lakhs) |
|---------|---------------------------------------|
| P       | 3                                     |
| Q       | (3)                                   |
| R       | 20                                    |
| X       | (9)                                   |
| Y       | (20)                                  |

Reportable Segments are

- A) P, Q, R, X, Y  
B) P, Q, R, V  
C) P, Q, R only  
D) R, X, Y only.

Option: D

Answer: R, X, Y only

A Business Segment or Geographical should be identified as a reportable segment If: Its segment results, where profit or loss is 10% or more of; i) the combined result of all segment in profit; ii) The combined result of all segments in loss, whichever is greater, i.e., absolute amount.

Absolute in profit; ii) The combined result of all segment in loss, whichever is greater, i.e., absolute amount.

Absolute profits = (3 +20) Lakh = 23 Lakh

Absolute Losses = (3 + 9 +20) lakhs = 32 Lakh

Greater of these two absolute amounts are loses of Rs 32 lakhs

10% of Rs 32 = Rs 3.20 Lakh. Reportable Segments are R, X, Y.

**Question 44 - Dec 2024 IND AS 108**

If total External Revenue reported by Operating Segments constitutes of the Entity's Revenue, additional Operating Segments should be identified as Reportable segments.

- A) less than 75%  
B) 75% or less  
C) less than 90%  
D) 90% or less

Answer: less than 75%, Option: A

**Question 45 - June 2023 IND AS 32,109**

Which of the following is not true?

- A) An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.  
B) A puttable instrument is a financial instrument that gives the holder the right to put the instrument back to the issuer for cash or another financial asset or is automatically put back to the issuer on the occurrence of an uncertain future event or the death or retirement of the instrument holder.  
C) Cash, an equity instrument of another entity and a contractual right are Financial Assets.  
D) None of the above

Answer: None of the above, Option: D

**Question 46 - June 2023 IND AS 32, 109**

Ind AS 109: Financial Instruments classifies the financial assets and financial liabilities into the following categories for recognition and measurement:

- A) Measured at fair value through OCI  
B) Measured at amortized cost  
C) Measured at fair value through P & L  
D) All of the above

Answer: All of the above, Option: D

**Question 47 - Dec 2023 IND AS 32, 109**

When objective of holding financial assets does not include collection of cash flows by selling of financial assets, such financial assets are measured at:

- A) Fair value through other comprehensive income (OCI)

- B) Amortized cost  
 C) Fair value through profit and loss (P&L)  
 D) None of the above  
 Answer: Amortized cost; Option: B

**Question 48 - Dec 2024 IND AS 32,109**

Financial assets are \_\_\_\_\_.

- A) cash  
 B) an equity instrument of another entity  
 C) a contractual right  
 D) All of the above

Answer: All of the above; Option: D

**Question 49 - Dec 2024 IND AS 32**

An \_\_\_\_\_ is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

- A) Equity Instrument  
 B) Puttable Instrument  
 C) Financial Instrument  
 D) None of the above

Answer: Equity Instruments; Option: A

**Question 50 - June 2025 IND AS 32,109**

When objective of holding financial assets does not include collection of cash flows by selling financial assets, such financial assets are measured at \_\_\_\_\_.

- A) Fair value through other comprehensive income (OCI)  
 B) amortized cost  
 C) fair value through profit and loss (P & L)  
 D) None of the above

Answer: Amortize cost; Option: B

**Question 51 - Dec 2023 IND AS 111**

A joint arrangement where parties have joint control of the arrangement and have rights to the net assets of the arrangement is called:

- A) Joint operation  
 B) Partnership  
 C) Joint venture  
 D) None of the above

Answer: Joint venture; Option: C

**Question 52 - June 2024 IND AS 28**

On 1<sup>st</sup> April, 2023, Rita Ltd. invested in the equity shares of Sita Ltd. at a cost of Rs 2,00,000 to acquire 25% share in the voting power of Sita Ltd. Rita Ltd. concluded that Sita Ltd. is now an associate of Rita Ltd. On 31<sup>st</sup> March, 2024, Sita Ltd. earned the net profit of Rs 20,000 and other comprehensive income of

- Rs 4,000. In the year 2023-24, Sita Ltd. also declared dividend of Rs 8,000. The carrying amount of investment in Sita Ltd. as at 31st March, 2024 as per the relevant Ind AS is:  
 A) Rs 2,00,000  
 B) Rs 2,05,000  
 C) Rs 2,06,000  
 D) Rs 2,04,000  
 Answer: Rs 2,04,000; Option: D

**Question 53 - Dec 2023 IND AS 28**

On April 1, 2022 GANGA Ltd. purchased a 30% interest in SAGAR Ltd. for Rs 2,50,000. On that date SAGAR's shareholders' equity was Rs 5,00,000. The carrying value of SAGAR's identifiable net assets was equal to book value. GANGA correctly reports this significant influence investment using equity method. Both companies have a March 31 year end. For the year ended 31.03.2023, SAGAR Ltd. reported net income of Rs 1,50,000 and paid total dividends of Rs 40,000. Calculate the amount that GANGA Ltd. would report as its investment in SAGAR Ltd. on March 31, 2023.

- A) Rs 3,60,000  
 B) Rs 2,95,000  
 C) Rs 2,83,000  
 D) Rs 2,50,000

Answer: Rs 2,83,000; Option: c

**Question 54 - Dec 2024 IND AS 28**

As per Ind AS-28, an entity with joint control of, or significant influence over, an investee shall account for its investment in an associate or a joint venture using the

- A) Acquisition method  
 B) Purchase method  
 C) Equity method  
 D) Pooling of Interest method

Answer: Equity method; Option: C

**Question 55 - Dec 2023 IND AS 111**

A joint arrangement where parties have joint control of the arrangement and have rights to the net assets of the arrangement is called:

- A) Joint operation  
 B) Partnership  
 C) Joint venture  
 D) None of the above

Answer: Joint venture; Option: C

**Question 56 - IND AS 110,111,28**

Consolidated financial statements are required to be prepared by an Ind AS complied company if it holds shares in the investee company

- A) entailing 20% or more voting rights having significant influence over the investee company (called Associate as per Ind AS 28)  
 B) entailing joint control over the investee company (called a Joint Venture as per Ind AS 28)  
 C) entailing control over investee company (called subsidiary company as per Ind AS 110)  
 D) All of the above

Answer: All of the above; Option: D

**Question 57 - IND AS 110**

An investment entity is an entity that

- A) obtains funds from one or more investors for the purpose of providing those investor(s) with investment management services
- B) commits to its investor(s) that its business purpose is to invest funds solely for returns from capital appreciation, investment income, or both
- C) measures and evaluates the performance of substantially all of its investments on a fair value basis
- D) All of the above

Answer: All of the above; Option: D

**Question 58 - June 2025 IND AS 110**

\_\_\_\_\_ requires that when consolidated financial statements are prepared the investor company shall also prepare individual/standalone financial statements, which are named as separate financial statements.

- A) Ind AS 112  
B) Ind AS 110  
C) Ind AS 28  
D) Ind AS 27

Answer: Ind AS 27; Option: D

**Question 59 - June 2025 IND AS 110**

Consolidated Financial Statements are required to be prepared by an Ind AS complied company having \_\_\_\_\_.

- A) sole control over the investee company  
B) significant influence over the investee company  
C) joint control over the investee company  
D) All of the above

Answer: All of the above; Option: D

**Question 60 - June 2025 IND AS 110**

On 01.04.2024, BM Ltd. acquired 90% share of CM Ltd. at Rs 10,80,000, when the fair value of its Net Assets was Rs 10,00,000. During 01.04.2024 to 31.03.25, CM Ltd. made total comprehensive income of Rs 2,00,000. On that date BM Ltd. sold 15% holding to outsiders at Rs 2,20,000. Gain credited to Other Equity will be

- A) Rs 1,80,000  
B) Rs 80,000  
C) Rs 40,000  
D) Rs 33,000

Answer: Rs 40,000; Option: C

**Question 61- June 2024 IND AS 110**

Surendra Ltd., a parent, sold goods costing Rs 400 lakh to its 80% subsidiary, Narendra Ltd. at 480 lakh. 50% of these goods are lying in stock as at 31<sup>st</sup> March, 2024. Narendra Ltd. has measured this inventory at cost i.e., at Rs 240 lakh. The tax rate is 30%. The deferred tax to be shown in the consolidated financial statements is:

- A) Rs 12 lakh  
B) Rs 60 lakh  
C) Rs 72 lakh  
D) Rs 120 lakh

Answer: Rs 12 lakh; Option: A

**Question 62 - June 2024 IND AS 111**

Mohan Ltd. held 50% of the voting power of Sohan Ltd. which is a joint venture of Mohan Ltd. The carrying value of the investment in Sohan Ltd. is Rs 1,50,000. Now, out of the 50% stake, Mohan Ltd. sells 20% stake in Sohan Ltd. to a third party for a consideration of Rs 1,20,000. The fair value of the retained 30% interest is Rs 1,80,000. The gain or loss recorded by Mohan Ltd. in its profit or loss is:

- A) Gain of Rs 1,50,000  
B) Gain of Rs 90,000  
C) Loss of Rs 1,50,000  
D) None of the above

Answer: Gain of Rs 1,50,000; Option: A

**Question 63 - Dec 2024 IND AS 111**

Consolidated financial statement are required to be prepared by an Ind AS complied company if it holds shares in the investee company \_\_\_\_\_.

- A) entailing 20% or more voting rights having significant influence over the investee company (called Associate as per Ind AS 28)
- B) entailing joint control over the investee company (called a Joint Venture as per Ind AS 28)
- C) entailing control over investee company (called subsidiary company as per Ind AS 110)
- D) All of the above

Answer: All of the above; Option: D

**Question 64 - June 2024 IND AS 112**

As per Ind AS 112 certain disclosures are required to be made about non-controlling interests. Some items of disclosures are given below:

- (a) The name of the subsidiary
- (b) Accumulated non - controlling interest at the beginning of the reporting period.
- (c) The proportion of ownership interests held by non-controlling interests.
- (d) Accumulated non-controlling interest at the end of the reporting period.

Choose correct option:

- A) All the items are to be disclosed.
- B) Items (a), (b) and (c) are to be disclosed.
- C) Items (b), (c) and (d) are to be disclosed.
- D) Items (a), (c) and (d) are to be disclosed.

Answer: Items (a), (c) and (d) are to be disclosed; Option: A

**Question 65 IND AS 112**

As per Ind AS 112: Disclosure of Interests in Other Entities, an entity shall disclose information about significant judgements and assumptions it has made (and changes to those judgements and assumptions) in determining \_\_\_\_\_.

- A) that it has control of another entity, i.e. an investee as described in paragraphs 5 and 6 of Ind AS 110, Consolidated Financial Statements
- B) that it has joint control of an arrangement or significant influence over another entity
- C) the type of joint arrangement (i.e. joint operation or joint venture) when the arrangement has been structured through a separate vehicle

D) All of the above

Answer: All of the above; Option: D

**Question 66 - Dec 2023 IND AS 115**

ALAKANANDA Ltd. is engaged in manufacturing and selling of designer furniture. It sells goods on extended credit. ALAKANANDA Ltd. sold furniture for Rs 80,00,000 to a customer on 01.04.2023, the payment against which was receivable after 12 months with interest at the rate of 3% per annum. The market interest rate on the date of transaction was 8% per annum. Calculate the amount of revenues to be recognized for the above transaction in 2013-24 financial year.

- A) Revenue from sale Rs 80,00,000 and Interest income Rs 2,40,000  
 B) Revenue from sale Rs 80,00,000 and interest income Rs 6,40,000  
 C) Revenue from sale Rs 76,29,630 and interest income Rs 6,10,370.  
 D) None of the above

Answer: Revenue from sale Rs 76,29,630 and interest income Rs 6,10,370; Option: C

**Question 67- June 2025 IND AS 115**

On 1<sup>st</sup> January, 2025, Shiva Ltd. entered into a contract with Kalpit Ltd. to sell 50 Laptops at a price of Rs 50,000 per Laptop and the goods were delivered in February, 2025. Determine revenue, to be recognised by Shiva Ltd. in 2024-25, if 4 sets were found damaged at the time of receiving and hence returned by Kalpit Ltd.

- A) Rs 25,00,000  
 B) Rs 27,00,000  
 C) Rs 23,00,000  
 D) Rs 24,00,000

Answer: Rs 23,00,000, Option: C

**Question 68 Dec 2018 IND AS 116**

TULSIAN Ltd. has initiated a lease for 3 years in respect of a machinery costing Rs 6,00,000 with expected useful life of 5 years. Machinery would revert to TULSIAN Ltd. under the lease agreement. The unguaranteed residual value of the machinery after the expiry of the lease term is estimated at Rs 80,000. The implicit rate of interest is 8%. The annual payments have been determined in such a way that the present value of the lease payment plus the residual value is equal to the cost of machinery. Annual lease payments are made at the end of each accounting year. (PV of Rs 1 @ 8% for 3 years is 0.9259, 0.8573, 0.7938 respectively). The unearned finance income is

- A) Rs 24,558  
 B) Rs 2,08,186  
 C) Rs 1,04,558  
 D) None of the above

Option: C

Answer: Rs 1,04,558

|   | Rs       |
|---|----------|
| Cost of the equipment   | 6,00,000 |
| Less: PV of unguaranteed residual value for 3 years @ 8% (Rs 80,000 x 0.7938) | (63,504) |
| Fair value to be recovered from 3 years Annual Lease Payment                  | 5,36,496 |
| Annual Lease Payment (Rs 5,36,496/2.577 Annuity for 3 years @ 8%)             | 2,08,186 |

|   |            |
|---|------------|
| Total lease payments [Rs 2,08,186 x 3]  | 6,24,558   |
| Add : Residual value                    | 80,000     |
| Gross Investments                       | 7,04,558   |
| Less: Present/Fair value of Investments | (6,00,000) |
| Unearned Finance Income                 | 1,04,558   |

**Question 69 - June 2023 IND AS 116**

AMLA TULSI Ltd. initiated a lease for 5 years in respect of equipment costing Rs 34,51,640 with an expected useful life of 8 years. The asset would revert to BHARAT Ltd. under the lease agreement. The unguaranteed residual value of the equipment after the expiry of the lease term is estimated at Rs 2,00,000. The implicit rate of interest is 15%. The annual payments have been determined in such a way that the present value of the lease payment plus the residual value is equal to the cost of the asset. Calculate the Unearned Finance Income.

[Present Value of 1 at 15% rate of Interest at the end of 1 year, 2<sup>nd</sup> years, 3<sup>rd</sup> years, 4<sup>th</sup> years and 5<sup>th</sup> years are 0.8696, 0.7561, 0.6575, 0.5718 and 0.4972 respectively.]

- A) Rs 5,00,000  
 B) Rs 10,00,000  
 C) Rs 8,74,180  
 D) 17,48,360

Answer: 17,48,360; Option: D

**Question 70 - Dec 2024 IND AS 116**

AURA Ltd. leased a machine with a fair value of Rs 1,65,000 for a period of 5 years under a finance lease. The initial direct costs incurred in negotiating the lease were Rs 1,250. The present value of the minimum lease payments discounted at the rate implicit in the lease is Rs 1,58,400. Under the requirements of Ind AS 116 leases, the amount for which the machine be recognised in AURA's financial statements is \_\_\_\_\_.

- A) Rs 1,66,250  
 B) Rs 1,58,400  
 C) Rs 1,59,650  
 D) Rs 1,65,000

Answer: Rs 1,59,650; Option: C

**Question 71 - June 2025 IND AS 116**

ALAKANANDA Ltd. took an asset on a 5 years lease from MANDAKINI Ltd. for which relevant details are as under:

|  |                    |
|--|--------------------|
| Payments over the lease term                 | Rs 1,000 per month |
| Contingent rent                              | Rs 20,000          |
| Cost for service given by MANDAKINI Ltd.     | Rs 40,000          |
| Taxes to be reimbursed to MANDAKINI Ltd.     | Rs 15,000          |
| Residual value guaranteed by ALAKANANDA Ltd. | Rs 5,000           |
| Fair value of the asset after 5 years        | Rs 6,000           |

Also, ALAKANANDA Ltd. has an option to purchase the asset after a period of 5 years at Rs 2,000. It is reasonably certain that ALAKANANDA Ltd. will exercise the option. Calculate Minimum Lease Payment.

- A) Rs 67,000  
 B) Rs 87,000



The amount of provision which must be made against the advances will be \_\_\_\_\_.

- A) Rs 354 Lakhs  
B) Rs 930 Lakhs  
C) Rs 979 Lakhs  
D) Rs 370 Lakhs

Answer: Rs 354 Lakhs; Option: A

**Question 82 - NBFC**

IND AS is applicable to NBFCs on and from

- A) 1.4.2016  
B) 1.4.2017  
C) 1.4.2015  
D) 1.4.2018

Answer: 1.4.2018; Option: D

**Question 83 - NBFC**

As per Sec. 45I(f) of RBI Act, 1934, a non-banking financial company means

- A) a financial institution which is a company  
B) a non-banking institution which is a company and which has as its principal business the receiving of deposits, under any scheme or arrangement or in any other manner, or lending in any manner  
C) such other non-banking institution or class of such institutions, as the Bank may, with the previous approval of the Central Government and by notification in the Official Gazette, specify  
D) All of the above

Answer: All of the above; Option: D

**Question 84 - NBFC**

The term 'Public Funds' includes

- A) Debentures  
B) Funds raised directly or indirectly through public deposits  
C) Bank finance  
D) All of the above

Answer: All of the above; Option: D

**Question 85 - NBFC**

As per Prudential Regulations for NBFCs-ND, the NBFCs-ND with asset size < Rs 500 crores shall be

- A) Exempted from the requirement of maintaining CRAR  
B) Exempted from complying with Credit Concentration Norms  
C) Maintain a leverage ratio (Total Outside Liabilities Owned Funds) of 7 to link Asset Growth with the Capital  
D) All of the above

Answer: All of the above; Option: D

**Question 86 - NBFC**

Non-Performing Asset (NPA) in case of Lease Rental and Hire-Purchase Assets if

- A) Overdue for 9 Months as on 31st March 2016  
B) Overdue for 6 Months as on 31st March 2017  
C) Overdue for 3 Months as on 31st March 2018 and Onwards  
D) All of the above

Answer: All of the above; Option: D

**Question 87 - Dec 2023 RECENT DEVELOPMENTS IN FINANCIAL REPORTING**

Market value added (MVA) is:

- A) the difference between the current book value of a company and capital contributed by investors (both the shareholders and debt holders).  
B) the difference between the current total market value of a company and capital contributed by investors (both the shareholders and debt holders).  
C) the difference between the current total market value of a company and capital contributed by investors (i.e., the shareholders)  
D) None of the above

Answer: the difference between the current total market value of a company and capital contributed by investors (both the shareholders and debt holders).; Option: A

**Question 88 - June 2023 MVA - RECENT DEVELOPMENTS IN FR**

GLOY TULSI Ltd. Has the following Capital Structure as at 31<sup>st</sup> March, 2023:

|  |               |
|--|---------------|
| Equity Share Capital (fully paid shares of Rs 10 each)     | Rs 300 crores |
| 15% Pref. Share Capital (fully paid shares of Rs 100 each) | Rs 100 crores |
| 15% Debentures (fully paid of Rs 100 each)                 | Rs 800 Crores |
| Retained Earnings  | Rs 300 Crores |

Currently Quoted Prices in the stock exchange: Equity Shares @ Rs 60, Preference Shares @90, Debentures Rs 95. Calculate the Market Value Added.

- A) Rs 1,350 crores  
B) Rs 1,250 crores  
C) Rs 1,150 crores  
D) None of the above

Answer: Rs 1,150 crores; Option: c

**Question 89 - June 2023 RECENT DEVELOPMENTS IN FINANCIAL REPORTING**

Which of the following is not true?

- A) XML stands for eXtensible Markup Language.  
B) XBRL stands for eXtensible Business Reporting Language.  
C) Economic Value Added (EVA) is a performance measure developed by Stern Stewart & Co to find the true economic profit generated by a company.  
D) None of the above

Answer: None of the above; Option: D

**Question 90 - Dec 2023 RECENT DEVELOPMENTS IN FINANCIAL REPORTING**

4P Bottom Line Reporting concept requires an organization to report on:

- A) Social, Environmental, Sustainability and Spiritual dimension  
B) b) Social, Environmental, Economic and Political dimension  
C) c) Social, Environmental, Economic and Spiritual dimension  
D) d) None of the above

Answer: Social, Environmental, Economic and Spiritual dimension; Option: C

**Question 91 - June 2024 RECENT DEVELOPMENTS IN FINANCIAL REPORTING**

With respect to Integrated Reporting which of the following is not true?

- A) An integrated report is necessarily to be a stand-alone report.
- B) The framework of integrated reporting is written primarily for private companies.
- C) A report prepared as required by local law containing a management commentary or other report that provides context for its financial statements can serve the purpose of integrated reporting.
- D) All of the above

Answer: All of the above; Option: D

**Question 92 - June 2024 RECENT DEVELOPMENTS IN FINANCIAL REPORTING**

Which of the following is not a part of an earnings call?

- A) Safe harbour statement.
- B) Presentation and discussion of the financial results.
- C) Question and answer session.
- D) Examination of audit report.

Answer: Examination of audit report; Option: D

**Question 93 - Dec 2024 RECENT DEVELOPMENTS IN FINANCIAL REPORTING**

\_\_\_\_\_report is an analytical tool for displaying human resources - related facts, insights, and metrics to improve workforce performance, recruiting procedures, and other important HR operations.

- A) Environmental, Social and Governance
- B) Corporate Social Responsibility
- C) Human Resources
- D) Integrated

Answer: Human Resources; Option: C

**Question 94 - June 2025 RECENT DEVELOPMENTS IN FR**

The following information is available from EX Ltd.

Sales Revenue: Rs 1,055 Lakh; Purchase of Raw Materials: Rs 530 Lakhs  
 Decrease in the Stock of Raw Materials, WIP and Finished Goods: Rs 25 Lakhs  
 Printing and Stationery: Rs 35 Lakhs; Auditor's Fees: Rs 5 Lakhs  
 Rent, Rates and other Expenses: Rs 10 Lakhs; Wages & Salaries: Rs 100 Lakh  
 Depreciation: Rs 30 Lakhs.

The amount of Total Value Added is \_\_\_\_\_.

- A) Rs 1,055 Lakhs
- B) Rs 500 Lakhs
- C) Rs 450 Lakhs
- D) Rs 320 Lakhs

Answer: Rs 450 Lakhs; Option: C

**Question 95 - Dec 2024 RECENT DEVELOPMENTS IN FINANCIAL REPORTING**

Mogari Ltd. provides the following financial data for the year ended 31<sup>st</sup> March, 2024:  
 Net Operating Profit Before Interest and Tax: Rs 17,50,000; Total Capital Employed: Rs 80,00,000;  
 Corporate Tax Rate: 30%; Weighted Average Cost of Capital (WACC): 12%. The Economic Value Added (EVA) for Mogari Ltd. will be \_\_\_\_\_.

- A) Rs 7,90,000
- B) Rs 5,25,000
- C) Rs 2,65,000
- D) Rs 6,50,000

Answer: Rs 2,65,000; Option: C

**Question 96 RDFR**

The three pillars of sustainability are often referred to as

- A) Planet - People - Profit
- B) People - Planet - Profit
- C) People - Profit - Planet
- D) People - Plant - Profit

Answer: People - Plant - Profit; Option: D

**Question 97 RDFR**

External benefits of sustainability reporting can include

- A) Mitigating - or reversing - negative environmental, social and governance impacts
- B) Improving reputation and brand loyalty
- C) Enhanced perception on organisation's value
- D) All of the above

Answer: All of the above; Option: D

**Question 98 RDFR**

International Integrated Reporting Council (IIRC) launched IR as a global framework in \_\_\_\_\_.

- A) November 2013
- B) December 2012
- C) November 2012
- D) December 2013

Answer: December 2013; Option: D

**Question 99 RDFR**

As per the Companies (Filing of Documents and Forms in Extensible Business Reporting Language) Rules, 2011, the following classes of companies were required to file the Financial Statements in XBRL Form only from the year 2010-2011

- A) All companies listed in India and their subsidiaries
- B) All companies having a paid up capital of ₹ 5 crore (₹ 50 million) and above
- C) All companies having turnover of ₹ 100 crore (₹ 1 billion) or above, excluding power and banking companies, insurance companies, Non-Banking Financial Companies and overseas subsidiaries of these companies
- D) Any of the above

Answer: Any of the above; Option: D

**Question 100 RDFR**

A company required to furnish cost audit report and other documents to the Central Government under Section 148(6) of the Companies Act, 2013 and rules made thereunder, shall file such report and other documents using the XBRL taxonomy given in Annexure-III to the said Rule for the financial years on or after April 1, 2014 in e-Form \_\_\_\_\_ specified under the Companies (Cost Records and Audit) Rules, 2014

- A) CRA-2
- B) CRA-3
- C) CRA-4
- D) CRA-1

Answer: CRA-4; Option: C

**Question 101 - June 2023 GOVERNMENT ACCOUNTING**

Which of the following is not true?

- A) Non-fund-based Accounting and Single Entry System are not features of Government Accounting.
- B) GASAB stands for Government Accounting Standards Advisory Board which issues Indian Government Financial Reporting Standards.
- C) Consolidated Fund of India is the Fund referred to in Article 266(1) of the Constitution of India and IGAS 2 is related to Accounting and Classification of Grants-in-aid.
- D) None of the above

Answer: None of the above; Option: D

**Question 102 - Dec 2023 GOVT ACCOUNTING**

In India, Government Accounting Standards are issued by \_\_\_\_\_

- A) Government Accounting Standards Advisory Board
- B) Government Accounting Standards Applicability Board
- C) Government Auditing Standards Advisory Board
- D) Government Accounting for States Advisory Board

Answer: Government Accounting Standards Advisory Board; Option: A

**Question 103 - June 2024 GOVERNMENT ACCOUNTING**

Which of the following is not an objective of Government Accounting?

- A) To provide reliable data regarding the operation of the public funds.
- B) To avoid excess expenditure beyond the budgetary approval.
- C) To prevent misappropriation of government properties.
- D) To facilitate tax collection by the concerned government department.

Answer: To facilitate tax collection by the concerned government department.  
Option: D

**Question 104 - June 2024 GOVERNMENT ACCOUNTING**

Indian Government Accounting Standard (IGAS)-1 deals with \_\_\_\_\_.

- A) Guarantees given by Governments: Disclosure Requirements
- B) Accounting and Classification of Grants-in-Aid
- C) Loans and Advances made by Government
- D) Foreign Currency Transactions and Loans or Gain by Exchange Rate Variation

Answer: Guarantees given by Governments: Disclosure Requirements; Option: A

**Question 105 - Dec 2024 GOVERNMENT ACCOUNTING**

Which of the following is not a feature of Government Accounting?

- A) Non-fund-based Accounting
- B) Double Entry System
- C) Adherence to Government Regulations
- D) Transacting through Banks

Answer: Non-fund-based Accounting, Option: A

**Question 106 - Dec 2024 GOVERNMENT ACCOUNTING**

Which of the following is not a general principle of Government Accounting?

- A) Reporting of Utilization of Public Funds
- B) Expenditures are classified under sectors, major heads, minor heads, sub-heads and detailed heads of Accounts
- C) Budget-based
- D) Single Entry System

Answer: Single Entry System, Option: D

**Question 107 - June 2025 GOVERNMENT ACCOUNTING**

Chairman of the Public Accounts Committee and the C&AG are appointed by \_\_\_\_\_.

- A) the Speaker of the Lok Sabha and the Prime Minister of India respectively
- B) the Prime Minister of India and the Speaker of the Lok Sabha respectively
- C) the Speaker of the Lok Sabha and the President of India respectively
- D) the President of India and the Speaker of the Lok Sabha respectively

Answer: the Speaker of the Lok Sabha and the President of India respectively; Option: C

**Question 108 - June 2025 GOVERNMENT ACCOUNTING**

Indian Government Accounting Standard (IGAS) 2 deals with \_\_\_\_\_.

- A) Loans and advances made by the Government
- B) Guarantees given by Governments: Disclosure Requirements
- C) Government Investment in Equity
- D) Accounting and Classification of Grants-in-aid

Answer: Accounting and Classification of Grants-in-aid; Option: D

**Question 109 June 2017 GOVERNMENT ACCOUNTING**

Members of Public Accounts Committee are elected by Lok Sabha and Rajya Sabha and comprise of not more than

- A) 15 members of Lok Sabha and 7 members of Rajya Sabha.
- B) 22 members of Lok Sabha and 7 members of Rajya Sabha.
- C) 22 members of Lok Sabha and 15 members of Rajya Sabha.
- D) No any limit.

Answer: 15 members of Lok Sabha and 7 members of Rajya Sabha; Option: A

**Question 110 Dec 2017 GOVERNMENT ACCOUNTING**

Which of the following is constituted under Article 266(2) of the Constitution of India?

- A) Contingency funds of India
- B) Consolidated funds of India
- C) Public Accounts of India
- D) All of the above

Answer: Public Accounts of India ; Option: C

**Question 111 GOVERNMENT ACCOUNTING**

The Financial Statements of the Union Government shall disclose the following details under 'Loans and Advances made by the Union Government' in the Annual Finance Accounts of the Union Government

- A) the summary of Loans and Advances showing loanee group-wise details
- B) the summary of Loans and Advances showing Sector-wise details
- C) the summary of repayments in arrears from Governments and other loanee entities
- D) All of the above

Answer: All of the above; Option: D

**Question 112 GOVERNMENT ACCOUNTING**

Consolidated Fund of India is the fund referred to in \_\_\_\_\_ of the Constitution of India

- A) Article 266(1)
- B) Article 266(2)
- C) Article 266(3)
- D) Article 266(4)

Answer: Article 266(1); Option: A

**Question 113 GOVERNMENT ACCOUNTING**

The financial statements of the Union Government, State Governments and the Union Territories with legislature shall disclose the following details concerning Public Debt and other obligations

- A) the opening balance, additions and discharges during the year, closing balance and net change in rupee terms with respect to internal debt
- B) the opening balance, additions and discharges during the year, closing balance and net change in rupee terms with respect to external debt, wherever applicable
- C) the opening balance, receipts and disbursements during the year, closing balance and net change in rupee terms with respect of other obligations
- D) All of the above

Answer: All of the above; Option: D

**Question 114 GOVERNMENT ACCOUNTING**

As per The Constitution of India, the Accounts of the Government are kept in

- A) Consolidated Funds of India
- B) Public Accounts of India
- C) Contingency Funds of India
- D) All of the above

Answer: All of the above; Option: D

**Question 115 GOVERNMENT ACCOUNTING**

The standards being developed for accrual system of accounting in the Government are called the \_\_\_\_\_.

- A) Indian Government Accounting Standards
- B) Indian Government Reporting Standards
- C) Indian Government Financial Reporting Standards
- D) Indian Government Accounting and Reporting Standards

Answer: Indian Government Financial Reporting Standards; Option: C

**Question 116 GOVERNMENT ACCOUNTING**

Which of the following is not a general principal of Government Accounting?

- A) Reporting of Utilisation of Public Funds
- B) Expenditures are classified under Sectors, major heads, minor heads, sub-heads and detailed heads of Accounts
- C) Budget Based
- D) Single Entry System

Answer: Single Entry System; Option: D

**Question 117 GOVERNMENT ACCOUNTING**

IGAS 2 is related to \_\_\_\_\_

- A) Accounting and Classification of Grants-in-aid
- B) Guarantees given by Governments: Disclosure Requirements
- C) Government Investments in Equity
- D) None of the above

Answer: Accounting and Classification of Grants-in-aid; Option: A

**Question 118 GOVERNMENT ACCOUNTING**

Which of the following is/ are responsibility/responsibilities of GASAB?

- A) Formulating and proposing standards that improve the usefulness of financial reports
- B) Keeping the standards up to date and reflect change in the Governmental environment.
- C) Improving standard of Government accounting and financial reporting
- D) All of the above

Answer: All of the above; Option: D

**Question 119 GOVERNMENT ACCOUNTING**

GASAB stands for \_\_\_\_\_.

- A) Government Accounting Standards Advisory Board
- B) Government Accounting Standards Applicability Board
- C) Government Auditing Standards Advisory Board
- D) Government Accounting for States Advisory Board

Answer: Government Accounting Standards Advisory Board; Option: A

**Question 120 GOVERNMENT ACCOUNTING**

Which of the following is not a feature of Government Accounting?

- A) Non-fund based Accounting
- B) Double Entry System
- C) Adherence to Government Regulations
- D) Transacting through Banks

Answer: Non-fund based Accounting; Option: A