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- 1) Ind AS is applicable in India for a company with net worth of ₹250 Crore or more from the date on:
 - a) 01.04.2022
 - b) 01.04.2021
 - c) 01.04.2020
 - d) 01.04.2017
- 2) 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
- 3) A Company showed a Net profit of ₹ 7,20,000 for the 3rd quarter of the year 2018 - 19 after incorporating the following:
 - i) Bad Debts of ₹ 40,000 incurred during the quarter. 50% of the Bad Debts have been deferred to the next quarter.
 - ii) Extra Ordinary loss of ₹ 35,000 incurred during the quarter has been fully recognized in the quarter. Correct Quarterly Income as per applicable Ind AS will be
 - a) ₹ 6,80,000
 - b) ₹ 7,00,000
 - c) ₹ 6,35,000
 - d) None of the above

IND AS 8

- 1) Ind AS _____ shall be applied in selecting and applying accounting policies, and accounting for changes in accounting policies, changes in accounting estimates and corrections of prior period errors.
 - a) 12
 - b) 16
 - c) 8
 - d) 21
- 2) Changes in Accounting Estimates result from-
 - a) New information
 - b) New developments
 - c) They are not corrections of errors
 - d) All of these
- 3) PEARL Ltd. Changes its method of valuation of inventories from weighted average method to FIFO method. The accountant opines that Ind AS-8 is applicable. PEARL Ltd. should account for this change as:
 - a) A change in estimate and account for it prospectively
 - b) A change in accounting policy and account for it prospectively
 - c) A change in accounting policy and account for it retrospectively
 - d) Account for it as a correction of an error and account for it retrospectively
- 4) PINDARI 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. PINDARI Ltd. should account for this change as _____
 - a) a change in estimate and account for it prospectively.
 - b) a change in accounting policy and account for it prospectively.
 - c) a change in accounting policy and account for it retrospectively.
 - d) account for it as a correction of an error and account for it retrospectively.

IND AS 12

- 1) Tax Depreciation is accelerated, i.e. Tax Depreciation is higher than Accounting Depreciation. The entity should recognize -
 - a) DTA
 - b) DTL
 - c) Both 1 and 2
 - d) None of these
- 2) An Entity recognize a Liability of Rs.100 for Gratuity and Leave Encashment Expenses by creating a Provision. For Tax purposes, such amount will not be deductible until the Entity pays the same. Tax Rate is 25%. The Entity should -
 - a) Recognize DTA Rs.100
 - b) Recognize DTL Rs.100
 - c) Recognize DTL Rs.25
- 3) ABC Ltd. reports quarterly and in the quarter ended 30.06.2023, it earned pre-tax profit of Rs.3 crore but it expects to incurs loses of Rs.1 crore in each of the 3 remaining quarter of the financial year. The tax rate on income is 30%. The management believes that since the company has zero income for the F.Y:2023-24, its income tax expenses for the year will be zero. Calculate the amount of tax expenses to be reported in the first and fourth quarters
 - a) Rs. 90 Lakhs and Rs. Nil
 - b) Rs. Nil and Rs. Nil
 - c) Rs. 90 Lakh and Rs. (30) Lakh
 - d) None of the above
- 4) From the given information, you are required to compute the Deferred Tax Assets (DTA) and Deferred Tax Liability (DTL) for CBDT Ltd as on 31st March 2023. The tax rate applicable is 35%.
 - i. The company has charged a depreciation of 7,42,900 in its Books of Accounts while as per Income Tax computation, the depreciation available to the company is 8,65,400.
 - ii. The company has made Provision for Doubtful Debts for 54,300 during the year.
 - iii. The company has debited Share Issue Expenses of 6,23,500 which will be available for deduction under the Income Tax Act from the next year.
 - iv. The expenses of 7,84,500 has been charged to the Profit and Loss Account which are disallowed under Income Tax Act.
 - v. The company has made a Donation of 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.
 - a) DTA 2,18,225, DTL 42,875
 - b) DTA 2,18,225, DTL 42,857
 - c) DTA 2,18,252, DTL 42,875
 - d) None of the above

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

- a) ₹12 lakh
- b) ₹60 lakh
- c) ₹72 lakh
- d) ₹120 lakh



IND AS 16

1) The ____ of an item of property, plant and equipment shall be recognized as an asset if, and only if: (i) it is probable that ____ associated with the item will flow to the entity; and (ii) ____ of the item can be measured reliably.

- a) cost, future economic benefits, cost
- b) future economic benefits, cost, future economic benefits
- c) cost, cost, cost
- d) future economic benefits, future economic benefits, future economic benefits



2) Property Plant and Equipment (PPE) are initially recognized at _____.

- a) purchase price
- b) fair value
- c) cost
- d) future economic benefits



3) CORE Ltd. has a plant with a carrying amount of Rs.1,20,000 as on 01-04-2022. Useful life is 10 years of which 4 years remain on the date. The company decides to revalue the plant to Rs.2,00,000 on 01-04-2022 and recognize revaluation reserve of Rs.80,000. Calculate depreciation to be accounted for in statement of profit or loss in 2022-23

- a) Rs.30,000
- b) Rs.50,000
- c) Rs.12,000
- d) Rs.10,000



4) On 01.04.2019, RIHARD 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 the residual value of Rs.40,000. Accordingly, the annual depreciation worked out to Rs.36,000 = [(4,00,000 - 40,000)/ 10]. On 01.04.2023 after 4 years of using equipment the company decided to review the useful life of the equipment and its residual life. Technical experts were consulted according to them the remaining useful life of the equipment at 01.04.2023 was seven years and its residual value was Rs.46,000. Compute the revised annual depreciation for the year 2023-24 and future years.

- a) Rs.40,000
- b) Rs.36,000
- c) Rs.50,571
- d) Rs.30,000



5) Narmada Ltd. owns 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

- a) Rs.7.5 million
- b) Rs.12 million
- c) Rs.19.5 million
- d) None of above



MQP-MCQs

- 6) The carrying value of PPE at 1 July 2023 was ₹15,780 (cost ₹20,580 and accumulated depreciation ₹4,800). During the year to 30 June 2024 PPE costing ₹4,530 were purchased. The depreciation policy is to charge depreciation at 20% on all assets held at the year-end on the diminishing balance basis. Accumulated depreciation for the balance sheet as at 30 June 2025 would be:
- ₹8,862
 - ₹11,386
 - ₹9,822
 - ₹12,978
- 7) Ind AS 16 does not apply to which of the following?
- Biological assets (other than bearer plants) related to agricultural activity
 - Assets in exploration for and evaluation of Mineral Resources
 - Mineral rights and mineral reserves such as oil, natural gas etc.
 - All of the above
- 8) Property Plant and Equipment (PPE) are initially recognized at _____
- Purchase price
 - Fair value
 - Cost
 - Future economic benefits
- 9) Ind AS 16 does not apply to which of the following?
- PPE classified as held for sale as per Ind AS 105
 - Biological assets (other than bearer plants) related to agricultural activity
 - Assets in exploration for and evaluation of Mineral Resources
 - All of the above

IND AS 116

- 1) AMLA TULSI Ltd. initiated a lease for 5 years in respect of equipment costing 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 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 1st year, 2nd year, 3rd year, 4th year and 5th year are 0.8696, 0.7561, 0.6575, 0.5718 and 0.4972 respectively.]
- ₹5,00,000
 - 10,00,000
 - 8,74,180
 - 17,48,360

MQP-MCQs

- 2) A Company takes a Machinery on lease for a term of 6 years at a lease rent of ₹4,00,000 p.a. payable at end of each year with guaranteed and unguaranteed residual value of ₹3,00,000. The gross investment will be ____.
- ₹24,00,000
 - ₹7,00,000
 - ₹1,00,000
 - ₹27,00,000
- 3) 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 ₹ 1,000 per month
 - Contingent rent ₹ 20,000
 - Cost for service given by MANDAKINI Ltd. ₹ 40,000
 - Taxes to be reimbursed to MANDAKINI Ltd. ₹ 15,000
 - Residual value guaranteed by ALAKANANDA Ltd. ₹ 5,000
 - Fair value of the asset after 5 years ₹ 6,000
- Also, ALAKANANDA Ltd. has an option to purchase the asset after a period of 5 years at ₹ 2,000. It is reasonably certain that ALAKANANDA Ltd. will exercise the option. Calculate Minimum Lease Payment.
- ₹ 67,000
 - ₹ 87,000
 - ₹ 86,000

- d) ₹ 65,000
- 4) AURA Ltd. leased a machine with a fair value of ₹ 1,65,000 for a period of 5 years under a finance lease. The initial direct costs incurred in negotiating the lease were ₹ 1,250. The present value of the minimum lease payments discounted at the rate implicit in the lease is ₹ 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) ₹ 1,66,250
 b) ₹ 1,58,400
 c) ₹ 1,59,650
 d) ₹ 1,65,000



IND AS 21

- 1) an _____ are money held and assets and liabilities to be received or paid in fixed or determinable amounts of money.
- a) Non-Monetary Items
 b) Monetary Items
 c) Financial Items
 d) Current Items



MQP-MCQs

- 2) In a conglomerate merger of two companies into a new company, the merging companies operate _____. Provide justification for your selection.
- a) in related markets having similar products lines.
 b) in unrelated markets having no functional economic relationship.
 c) in related markets and merging companies are complimentary to each other.
 d) in two countries and one of them use the product of the others as raw materials.
- 3) Utkarsh Ltd. declares the following information:

	Exchange Rate (USD/IND ₹)
Purchased goods on 12.03.2022 of USD 1,00,000	78.60
Exchange rate as on 31.03.2022	79.00
Date of actual payment is 12.04.2022	79.50

What will be the gain/loss to be booked in the financial year 2021-22?

- a) ₹ 90,000 (loss)
 b) ₹ 40,000 (loss)
 c) ₹ 1,30,000 (loss)
 d) None of the above
- 4) J Ltd. purchased a plant for US \$ 50,000 on 31st October, 2020 payable after 6 months. The company entered into a forward contract for 6 months @ ₹ 64.25 per Dollar. On 31st October, 2020 the exchange rate was ₹ 61.50 per Dollar. The profit or loss on forward contract for the year ended 31st March, 2021 is
- a) ₹ 1,14,538
 b) ₹ 1,14,583
 c) ₹ 1,37,500
 d) None of these
- 5) Peta Ltd. declares the following information:

	Exchange Rate (USD/IND ₹)
Purchased goods on 12.03.2022 of USD 1,00,000	76.76

Exchange rate as on 31.03.2022	75.91
Date of actual payment is 12.04.2022	75.98

What will be the gain/loss to be booked in the financial year 2021-22?

- a) ₹ 90,000 (loss)
- b) ₹ 40,000 (loss)
- c) ₹ 1,30,000 (loss)
- d) None of the above
- 6) An entity purchases plant from a foreign supplier for \$3 million on January 31, 2025, when the exchange rate was ₹72 = \$1. At the entity's year-end on March 31, 2025, the amount has not been paid. The closing exchange rate was ₹75 = \$1. The entity's functional currency is the INR. Which of the following statements is correct?
- a) Cost of plant ₹216 million, exchange loss ₹9 million, trade payable ₹225 million.
- b) Cost of plant ₹225 million, exchange loss ₹9 million, trade payable ₹225 million.
- c) Cost of plant ₹216 million, exchange loss ₹9 million, trade payable ₹216 million.
- d) Cost of plant ₹216 million, exchange loss ₹nil, trade payable ₹216 million.

IND AS 23

- 1) Borrowing Costs directly attributable to _____ of a Qualifying asset should be capitalized as part of the cost of that Asset.
- a) Acquisition
- b) Construction
- c) Production
- d) All of these
- 2) Hari Ltd has purchased a Ship during the year on deferred payments basis, payable over next 10 years. This ship is -
- a) Qualifying asset as per Ind AS 23
- b) Non-Qualifying Asset as per Ind As 23
- c) Qualifying Asset as per Ind AS 29
- d) Non qualifying Asset as per Ind AS 29
- 3) Harish Ltd. has taken a loan of USD 22,000 @5% p.a for constructing a plant interest payable on which is annual. On 01.04.2023 the exchange rate was Rs.45 per USD. The exchange rate on 31.03.2024 is Rs.48 per USD had Harish Ltd borrowed the corresponding amount from union bank of India that rate of interest would have been 11% p.a. The borrowing cost to be capitalized for the year ended 31.03.2024 as per relevant Ind AS is:
- a) Rs.52,800
- b) Rs.1,08,900
- c) Rs.56,100
- d) Rs.66,000

MQP-MCQs

- 4) X Ltd. borrowed \$6,000 for construction of a qualifying asset at 3% interest p.a. on 01.04.2021 when \$1 = ₹60, which is due for payment on 31.03.2023. The company could borrow the amount in rupees at 12% interest p.a. Interest is payable on 31st2023. Construction of asset will continue till 31.03.2023. If on 31.03.2022 \$1 = ₹70 which of the following statements are not true?
- a) Exchange loss = ₹ (60- 70) × \$6,000 = ₹60,000
- b) Cost of borrowing in foreign currency = 3% × \$6,000 × ₹70 = ₹12,600
- c) Cost of borrowing in functional currency = 12% × \$ 6,000 × ₹60 = ₹43,200
- d) Cost of borrowing in foreign currency = 3% × \$ 6000 × ₹60 = ₹10,800

IND AS 36

- 1) A Ltd. Has a machine whose original cost was Rs.45,000. The accumulated depreciation on the machine is Rs.15,000. Similar machine has recently been sold in the same locality at Rs. 25,000 with selling expenses Rs.2,000. Management determined the entity specific present value of future cash flows of the machine as Rs. 28,000. Find Recoverable amount.
- Rs.23,000
 - Rs.28,000
 - Rs.25,000
 - None of these
- 2) Earth Ltd. purchased an equipment for Rs.51 lakhs on 01.04.2023. The useful life of the equipment is 5 years and the residual value is estimated to Rs.1 lakh. The company adopts straight line method of depreciation. On 31.03.2024, a test for the impairment was conducted after obtaining the following information: Fair Value less Cost to Sell - Rs.36 Lakhs. Value in Use - Rs.32 Lakhs. Having regarding to Ind AS 36, calculate impairment loss to be recognized for the year ended 31.03.24
- Rs.4 Lakhs
 - Rs.9 Lakhs
 - Rs.5 Lakhs
 - None

MQP-MCQs

- 3) An asset's carrying amount is ₹25,000. Its fair value less costs of disposal is ₹15,000 and its value in use is ₹19,000. There is an impairment loss of:
- ₹6,000
 - Nil
 - ₹10,000
 - ₹4,000
- 4) Details for an Asset are as under: Cost of Assets ₹ 60 lakhs, Useful life period 10 years, Salvage value ₹ 4 lakhs, Useful Life remaining 3 years. Upward revision done in last year by 50%. Current value in use is ₹ 12 lakhs, Current selling price ₹ 11 lakhs, Current disposal cost ₹ 1 lakh. Impairment Loss to be charged to Profit and Loss Account as per applicable Ind AS would be
- ₹ 18.7 lakhs
 - ₹ 13.2 lakhs
 - ₹ 5.5 lakhs

- None of the above
- 5) A Ltd. has a machine whose original cost was ₹ 1,20,000. The accumulated depreciation on the machine is ₹ 45,000. Similar machine has recently been sold in the same locality at ₹ 65,000 with selling expenses ₹ 4,000. Management determined the entity specific present value of future cash flows of the machine as ₹ 68,000. Impairment loss will be:
- ₹ 10,000
 - ₹ 6,000
 - ₹ 14,000
 - ₹ 7,000
- 6) GALAXY Ltd. is developing a new production process. During the financial year ended 31st March, 2022, the total expenditure incurred was ₹ 50 lakhs. This process met the criteria for recognition as an intangible asset on 1st December, 2021. Expenditure incurred till this date was ₹ 22 lakhs. Further expenditure incurred on the process for the financial year ending 31st March, 2023 was ₹ 80 lakhs. As at 31st March, 2023, the recoverable amount of knowhow embodied in the process is estimated to be ₹ 72 lakhs. This includes estimates of future cash outflows as well as inflows. The amount of impairment loss for the year ended 31st March, 2023 is:
- ₹ 80 lakhs
 - ₹ 36 lakhs
 - ₹ 28 lakhs
 - ₹ 72 lakhs

IND AS 38

- 1) GALAXY Ltd. is developing a new production process. During the financial year ended 31-03-2022, the total expenditure incurred was Rs.50 Lakhs. This process met the criteria for recognition as an intangible asset as on 01-12-2021. Expenditure incurred till date was Rs.22 lakhs. Further expenditure incurred on process for the financial year ending 31-03-2023 was ₹ 80 lakhs. As at 31/03/2023, the recoverable amount of knowhow embodied in the process is estimated to be ₹ 72 lakhs. This includes estimates of future cash outflows as well as inflows. The amount of impairment loss for the year ended 31/03/2023 is
- Rs.80 Lakhs
 - Rs.36 Lakhs
 - Rs.28 Lakhs
 - Rs.72 Lakhs
- 2) MILKYWAY Ltd. is conducting research in respect of attaching self-charging batteries in all its vehicles. It has already incurred ₹ 15 lakh last year for this research. During the year (2023-24), it incurs ₹ 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 ₹ 300 lakh in the coming years to the company. Calculate the impact of the above transaction in the financial year ended 31st March, 2024 in the books of MILKYWAY Ltd.
- Expenses ₹ 70 Lakh and Intangible Asset ₹ 300 Lakh
 - Expenses ₹ 55 Lakh and Intangible Asset ₹ 15 Lakh
 - Expenses ₹ 5 Lakh and Intangible Asset ₹ 55 Lakh
 - None of the above

IND AS 102

- 1) Share-based Payment is dealt with by .
- 101
 - 102
 - 113
 - 108
- 2) 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 3 years ending 31.03.2025. On 01.04.2022, the fair value of one share option was Rs.200 and this had increased to Rs.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 recognized as expense for the year ended 2022-23
- Rs.13,33,330
 - Rs.12,66,667
 - Rs.15,20,000
 - None
- 3) 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 ₹60. Nominal value of each share is ₹10. The Remuneration Expense for each year will be _____.
- ₹2,40,00,000
 - ₹80,00,000
 - ₹40,00,000
 - ₹13,33,333

IND AS 108

- 1) Mohini Ltd has 3 Segments namely X, Y, Z. The Total assets of the Company are Rs. 10 Crores. Segment X has Rs. 2 crores, Segment Y has Rs. 3 Crores and Segment Z has Rs. 5 crores. The accountant contends that all the three Segments are Reportable Segments. In this case -
- X & Y segments are Reportable Segments
 - Y & Z segments are Reportable Segments
 - Z segment is a Reportable Segment
 - All segments are Reportable Segments
- 2) If total external Revenue reported by Operating Segments constitutes _____ of the Entity's Revenue, additional Operating Segments should be identified as Reportable Segments.
- Less than 75%
 - 75% or less
 - Less than 90%
 - 90% or less
- 3) The term "Chief Operating Decision-Maker" (CODM) identifies a -
- Function
 - Designation
 - Person
 - Title
- 4) An Operating Segment is a component of an Entity that engages in business activities from which it -
- May earn Revenues or incur Expenses
 - May earn Revenues and incur Expenses
 - Earns Revenues and incurs Expenses
 - Earns Revenues or incurs Expenses
 - Both 1 and 2
- 5) ALOE VERA TULSI Ltd. gives the following data pertaining to its six segments:

(In lakhs)

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	(440)
Segment Revenue	1,200	2,480	300	240	340	240	4,800

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

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



IND AS 113

- 1) Ind AS 113 stands for _____.
 a) Fair Value Measurement
 b) Consolidated Financial Statements
 c) Share Based payments
 d) Financial Instruments: Presentation
- 2) Ind AS 113 establishes a fair value hierarchy that categorizes into three levels of the inputs to valuation techniques for measuring fair value. The hierarchies are _____.
 a) Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
 b) Inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
 c) Inputs are unobservable inputs for the asset or liability.
 d) All of the above
- 3) As per Ind AS 113 three widely used valuation techniques are _____.
 a) Market approach, cost approach and income approach
 b) Market approach, cost approach and profit approach
 c) Customer approach, cost approach and profit approach
 d) Market approach, inventory approach and profit approach
- 4) Which of the following is/are objective/s of Ind AS 113?
 a) To set up a framework for measurement of fair value
 b) To specify requirements of disclosure of fair value measurement.
 c) Both 1 and 2
 d) None of these

MQP-MCQs

- 5) Ind AS - 113 applies to:
 a) Share-based payment transactions within the scope of Ind AS 102
 b) Measurements that have some similarities to fair value but are not fair value such as netrealizable value in Ind AS 2, or value in use in Ind AS 36
 c) When another Ind AS requires or permits fair value measurements or disclosures about fairvalue measurements
 d) Leasing transactions within the scope of Ind AS 17

IND AS 115

- 1) 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 2023-24 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
- 2) NEEM TULSI LTD, a firm of contractors, provides the following details for the year ended 31st March, 2023:

Particulars	(In Lakhs)
Fixed Contract Price with an Escalation clause	1,000
Work Certified	500
Work not Certified [includes ₹ 75 lacs for Materials issued out of which material lying unused at the end of the period is ₹ 4 lacs]	109
Estimated further Cost to Completion	495
Progress Payment Received	400
Progress Payment to be Received	140
Escalation in cost by 5% and accordingly the contract price is increased by 5%	

Calculate the Expected Loss to be recognized immediately as per Ind AS 115.

- a) 50 lakhs
- b) 27 lakhs
- c) 22.5 lakhs
- d) None of the above

MQP-MCQs

- 1) On 01.08.2021 A Ltd. enter into a contract with a hotel for daily sanitisation of the building for 3 years at ₹12,000 per month. The customer receives and consume benefits each day. Determine the revenue to be recognized in 2021-22.
 a) ₹12,000
 b) ₹4,32,000
 c) ₹96,000

- d) None of the above
- 2) On 1st January, 2025, Shiva Ltd. entered into a contract with Kalpit Ltd. to sell 50 Laptops at a price of ₹ 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) ₹ 25,00,000
- b) ₹ 27,00,000
- c) ₹ 23,00,000
- d) ₹ 24,00,000

VALUATION OF SHARES AND GOODWILL

- 1) The **major three approaches** to valuation of shares are:
- a) Income Approach
- b) Net Assets Approach
- c) Market Approach
- d) All of the above
- 2) The **major bases of asset** valuation for a going concern:
- a) Book Value
- b) Net Replacement Value
- c) Net Realisable Value
- d) All of the above
- 3) The **Income approach for Valuation of Shares** includes the models/Techniques:
- a) Discounted Cash Flow
- b) Dividend Discount Model
- c) Maintainable Profits Basis
- d) All of the above
- 4) Some of the **methods of Goodwill Valuation** are
- a) Capitalisation method
- b) Super profits method
- c) Average Maintainable Profits method
- d) All of the above
- 5) The ways of determining the value of goodwill using the **capitalisation approach**
- a) Capitalisation of Average Profits
- b) Capitalisation of Super Profits
- c) Both 1 and 2
- d) Capitalisation of Average Future maintainable profit
- 6) The major bases of asset valuation for a going concern:
- a) Book Value
- b) Net Replacement Value
- c) Net Realisable Value
- d) All of these
- 7) Capital Employed is Rs.255 Lakhs; Annual average profits are Rs.57 Lakhs; Normal rate of return is 12%. The value of goodwill on the basis of Capitalization of **super profits will be**
- a) Rs.220 Lakhs
- b) Rs.475 Lakhs
- c) Rs.6.84 Lakhs

- d) Rs.26.40 Lakhs
- 8) A firm values goodwill under 'Capitalisation of Profits' method. Average profit of the firm for past 4 years has been determined at Rs.1,00,000 (before tax). Capital employed in the business is Rs.4,80,000 and its normal rate of return is 12%. Tax rate is 28% on average. Value of Goodwill based on capitalisation of average profit will be:
- Rs.1,20,000
 - Rs.6,00,000
 - Rs.5,00,000
 - Rs.4,80,000
- 9) From the following particulars you are required to determine value of goodwill of ABX Ltd. Super Profit (Computed): Rs. 4,50,000 Normal rate of return: 12% Present value of annuity of Rs.1 for 4 years @ 12%: 3.0374
- Rs.13,66,830
 - Rs.54,000
 - Rs.5,04,000
 - Rs.4,50,000
- 10) Super Profit = Average Future Maintainable Profit -
- Normal Profit
 - Estimated Profit
 - Future Maintainable Profit
 - Average Capital Employed
- 11) Normal Dividend expected on equity shares of A Ltd is 8%. The profit available to equity shareholders is Rs.3,83,125 and value of net asset for equity shareholders is Rs.40,82,000. Calculate value of each equity share under fair value method if number of outstanding shares is 1,00,000 and face value is Rs.10
- Rs.44.36
 - Rs.46.26
 - Rs.47.89
 - None
- MQP-MCQs**
- 12) The value of a share under the net asset approach is determined by_____.
- Accessible net assets to equity owners
 - Net assets accessible to holders of debentures
 - The value of preference shareholders' net assets
 - None of the preceding

- 13) Net asset value method is based on the assumption that the company is .
- A going concern
 - Going to be liquidated.
 - 1 & 2
 - None of the above
- 14) The following details relates to M/s XYZ, a firm:
- | | |
|--|--------------|
| Average profit of last four years | : ₹ 7,00,000 |
| Average capital employed by the firm | : ₹55,00,000 |
| Normal rate of return | : 10% |
| Present value of annuity of ₹1 for 4 years @ 10% | : 3.1699 |
- Determine the value of goodwill on the basis of annuity of super profit.
- ₹ 4,75,485
 - ₹4,85,585
 - ₹1,50,000
 - None of the above
- 15) XY Ltd, a partnership firm, earned profits during the past 5 years as follows:
- | Year | 2017 | 2018 | 2019 | 2020 | 2021 |
|-------------|--------|--------|--------|--------|--------|
| Profits (₹) | 27,000 | 36,000 | 37,200 | 42,000 | 46,800 |
- Determine the value of goodwill on the basis of 3 years' purchase of weighted average profit of last five years giving maximum weightage to the recent results.
- ₹ 1,22,520
 - ₹1,15,000
 - ₹1,46,000
 - ₹ 142,520
- 16) NUPUR Ltd has equity share capital of ₹30 lakhs consisting of fully paid equity shares of ₹10 each. Net profit for the year 2023-24 was ₹45 lakhs. It has also issued 27,000, 10% convertible Debentures of ₹50 each. Each Debenture is convertible into 5 equity shares. The applicable tax rate is 30%. Compute the diluted earnings.
- ₹46,35,000
 - ₹44,59,500
 - ₹45,94,500
 - ₹45,00,000
- 17) The Income approach for Valuation of Shares includes the models/Techniques:
- Discounted Cash Flow
 - Dividend Discount Model
 - Maintainable Profits Basis
 - All of the above
- 18) The ways of determining the value of goodwill using the capitalisation approach

- a) Capitalisation of Average Profits
 b) Capitalisation of Super Profits
 c) Both a and b
 d) Capitalisation of Average Future maintainable profit
- 19) From the following particulars you are required to determine value of goodwill of ABX Ltd.
- | | |
|--|--------------|
| Super Profit (Computed) | : ₹ 4,50,000 |
| Normal rate of return | : 12% |
| Present value of annuity of ₹1 for 4 years @ 12% | : 3.0374 |
- a) ₹13,66,830
 b) ₹54,000
 c) ₹5,04,000
 d) ₹4,50,000
- 20) A firm values goodwill under 'Capitalisation of Profits' method. Average profit of the firm for past 4 years has been determined at ₹ 1,00,000 (before tax). Capital employed in the business is ₹ 4,80,000 and its normal rate of return is 12%. Tax rate is 28% on average. Value of Goodwill based on capitalisation of average profit will be:
- a) ₹1,20,000
 b) ₹6,00,000
 c) ₹5,00,000
 d) ₹4,80,000
- 21) Given by the Poova Mart:
- | | |
|--|-------------|
| Average trading profit of last four years: | ₹ 7,00,000 |
| Average capital employed by the firm: | ₹ 45,00,000 |
| Normal rate of return: | 10% |
| Present value of annuity of ₹ 1 for 4 years @ 10%: | 3.1699 |
- The value of goodwill on the basis of annuity of super profit will be _____.
- a) ₹ 22,18,930
 b) ₹ 7,92,475
 c) ₹ 2,20,827
 d) ₹ 6,21,575

ACCOUNTING OF FINASNCIAL INSTRUMENTS

- 1) The Indian Accounting Standards relevant for recognition, measurement and disclosure of financial instruments are
- a) Financial instruments: Presentation (Ind AS 32)
 b) Financial instruments: Disclosure (Ind AS 107)
 c) Financial instruments: (Ind AS 109)
 d) All of these
- 2) 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
- 3) Ind As 109 deals with
- a) Recognition and measurement of financial instruments and hedge accounting
 b) Presentation of financial instruments
 c) Disclosure of financial instruments
 d) None of the above
- 4) X Ltd. granted a loan to Y Ltd. amounting to Rs.40 lakhs repayable in 2 years at Rs.46 lakhs. However, due to economic recession after 1 year the repayable amount has been revised at Rs.44 lakhs. Effective annual interest rate for such a loan is determined at 6% p.a. The loan processing cost was Rs.2 lakhs. X Ltd.'s accountant suggested to compute the amount to be charged as processing cost to the first year in the Profit and Loss A/c. Compute.
- a) Rs.40 Lakhs
 b) Rs.2 Lakhs
 c) Rs. 42 Lakhs
 d) None of these
- 5) The Indian Accounting Standards relevant for recognition, measurement and disclosure of financial instruments are _____.
- a) Financial instruments: Presentation (Ind AS 32)
 b) Financial instruments: Disclosure (Ind AS 107)
 c) Financial instruments: (Ind AS 109)
 d) All of these
- 6) Financial assets are _____.
- a) Cash
 b) An equity instrument of another entity
 c) A contractual right
 d) All of these
- 7) 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 thought OCI
 b) Measured at amortized cost

- c) Measured at fair value through P & L
d) All of these
- 8) Ind AS 109 deals with
a) recognition and measurement of financial instruments and hedge accounting
b) presentation of financial instruments
c) disclosure of financial instruments
d) None of these
- 9) 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 these
- 10) 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
- 11) 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
- 12) 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
- MQP - MCQs**
- 13) Ind AS - 109 deals with:
a) recognition and measurement of financial instruments and hedge accounting.
b) presentation of financial instruments
c) disclosure of financial instruments
d) None of the above

- 14) Indian Accounting Standards relevant for recognition, measurement and disclosure of financial instruments are:
a) Financial instruments: Presentation (Ind AS 32)
b) Financial instruments: Disclosure (Ind AS 107)
c) Financial instruments: (Ind AS 109)
d) All of the above
- 15) Ind AS 109 deals with .
a) Recognition and measurement of financial instruments and hedge accounting
b) Presentation of financial instruments
c) Disclosure of financial instruments
d) None of the above
- 16) Which of the following is/ are a financial asset (s)? Why?
a) Cash
b) An equity instrument of another entity
c) A contractual right
d) All of the above
- 17) An ___ is a contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Justify your selection.
a) Equity instrument
b) Puttable instrument
c) Financial instrument
d) None of the above

NBFC NORMS AND REPORTING

- 1) 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 these
- 2) The term 'Public Funds' includes
 - a) Debentures
 - b) Funds raised directly or indirectly through public deposits
 - c) Bank Finance
 - d) All of these
- 3) 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
- 4) All NBFCs-ND which have an asset size of Rs.500 crore and above and all NBFCs-D shall maintain minimum Tier 1 Capital of
 - a) 12%
 - b) 15%
 - c) 10%
 - d) 1%
- 5) Lease Rental and Hire-Purchase Assets will be treated as Non-Performing Assets (NPA) in case NBFC for the financial year ended 31-03-2024 if:
 - a) A. Overdue for 3 months as on 31-03-2024
 - b) B. Overdue for 6 months as on 31-03-2024
 - c) C. Overdue for 9 months as on 31-03-2024
 - d) D. Overdue for 4 months as on 31-03-2024

MQP-MCQs

- 6) On the year ended 31st March, 2024, a Non-Banking Financial Company (NBFC) had following advances-

Assets Classification	₹ in lakhs
Standard	1050
Sub - standard	750
Doubtful up to one year	200
Doubtful for one year to	220

two year	
----------	--

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

- a) ₹254.70 Lakhs
 - b) ₹159 Lakhs
 - c) ₹163 Lakhs
 - d) ₹185.20 Lakhs
- 7) On 31st March, 2025, a Non-Banking Financial Company (NBFC) has its advances classified as follows:

Particulars	Amount (₹ in Lakhs)
Standard Assets	16,000
Sub-Standard Assets	1,780
Secured Portions of Doubtful Debts:	
- Up to one year	350
- One year to three years	140

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

- a) ₹ 354 Lakhs
 - b) ₹ 930 Lakhs
 - c) ₹ 979 Lakhs
 - d) ₹ 370 Lakhs
- 8) Lease Rental and Hire-Purchase Assets will be treated as Non-Performing Assets (NPA) in case of NBFCs for the financial year ended 31st March, 2024 if _____.
- a) overdue for 3 months as on 31st March, 2024
 - b) overdue for 6 months as on 31st March, 2024
 - c) overdue for 9 months as on 31st March, 2024
 - d) overdue for 4 months as on 31st March, 2024

ACCOUNTING FOR BUSINESS COMBINATION AND RESTRUCTURING

- 1) A Ltd. acquires 80% of B Ltd. for Rs. 12,80,000 paid by equity at par. Fair Value (FV) of B's net assets at time of acquisition amounts Rs. 9,00,000. NCI is measured at proportionate net asset. The value of goodwill will be:
- Rs. 3,00,000
 - Rs. 3,80,000
 - Rs. 4,50,000
 - Rs. 5,60,000
- 2) A Ltd. acquires 80% of B Ltd. for Rs. 10,00,000 paid by equity at par. Fair Value (FV) of B's net assets at time of acquisition amounts Rs. 9,00,000. The value of goodwill based on NCI valued at proportionate fair value of identified net asset will be:
- Rs. 3,00,000
 - Rs. 2,80,000
 - Rs. 4,50,000
 - Rs. 5,00,000
- 3) On 1 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 lakh and the liabilities assumed are measured at Rs. 150 lakh. The fair value of the 20 per cent non-controlling interest in P is Rs. 90 lakhs. The gain on bargain purchase will be -
- Rs. 90 Lakhs
 - Rs. 85 Lakhs
 - Rs. 105 Lakhs
 - Rs. 75 Lakhs
- 4) A Ltd. takes over B Ltd. for Rs. 12,60,000. Fair Value (FV) of B's net assets at time of acquisition amounts Rs. 11,80,000. Calculate Goodwill.
- Rs. 12,60,000
 - Rs. 80,000
 - Rs. 11,80,000
 - None of these
- 5) Q Ltd. acquired a 60% interest in R Ltd. on January 1, 2023. Q Ltd. paid Rs. 900 Lakhs in cash for their interest in R Ltd. The fair value of R Ltd.'s assets is Rs. 2,000 Lakhs, and the fair value of its liabilities is Rs. 1,000 Lakhs. If NCI is valued at proportionate net asset, value of Goodwill:
- Rs. 300 Lakhs
 - Rs. 250 Lakhs
 - Rs. 400 Lakhs

- d) Rs. 350 Lakhs
- 6) On March 31, 201X, A Ltd absorbed B Ltd. A Ltd. issued 60,000 equity shares (Rs. 10 par value) that were trading at Rs. 25 on March 31. The book value of B's net assets was Rs. 12,00,000, Equity Share Capital Rs. 5,00,000 and Other Equity Rs. 7,00,000 on March 31. The fair value of net assets of B Ltd. was assessed at Rs. 13,00,000. Goodwill is
- Rs. 2,00,000
 - Rs. 15,00,000
 - Rs. 6,00,000
 - None of these
- 7) As per Ind AS 103, while accounting and reporting for business combination goodwill is calculated as .
- Consideration + Non-controlling Interest - Net assets
 - Consideration - Non-controlling Interest + Net assets
 - Consideration - Non-controlling Interest - Net assets
 - Consideration + Non-controlling Interest + Net assets
- 8) On 01.04.2022 Gold Ltd. acquired 75% share of Coal Ltd. at Rs. 10,80,000, when the fair value of its net assets was Rs. 10,00,000. During 01.4.2022 to 31.3.2023 Coal Ltd. made OCI Rs. 2,00,000. On 31.3.2023 Gold Ltd. purchased 15% holding from outsiders at Rs. 2,20,000. Compute NCI at Proportionate net asset value.
- Rs. 1,80,000
 - Rs. 1,92,000
 - Rs. 2,46,000
 - Rs. 2,20,000
- 9) On 01.04.2022 Gold Ltd. acquired 75% share of Coal Ltd. at Rs. 10,80,000, when the fair value of its net assets was 10,00,000. During 01.4.2022 to 31.3.2023 Coal Ltd made OCI Rs. 2,00,000. On 31.3.2023 Gold Ltd. purchased 15% holding from outsiders at Rs. 2,20,000. Compute gain/loss credited/debited to Other Equity.
- Loss of Rs. 40,000
 - Gain of Rs. 40,000
 - Loss of Rs. 28,000
 - Gain of Rs. 28,000
- 10) D Ltd. has acquired 100% of the equity of F Ltd. on March 31, 2023. The purchase consideration comprises of an immediate payment of Rs. 10 lakhs and two further payments of Rs. 1.21 lakhs if the Return on Equity exceeds 20% in each of the subsequent two financial years. A discount rate of 10% is used. Compute the value of total consideration at the acquisition date.
- Rs. 10 lakhs
 - Rs. 2.10 Lakhs

- c) Rs.12.10 Lakhs
d) None of these
- 11) Entity A acquired 35 % of Entity B on 01.04.2023 for Rs. 35,000. On 31.03.2024, fair value of shares of Entity B is Rs. 42,000, thus Rs.7,000 reported under OCI in 2023-24. On 01.07.2020 Entity A further acquired 40% stake in Entity B. Consideration paid is Rs. 60,000. Entity A identifies the net assets of Entity B at fair value of Rs. 1,20,000 at the acquisition date, value 35% shares at Rs. 45,000. NCI is valued at proportionate net assets. Compute the total amount to be transferred to P&L A/c of Entity A.
- a) Rs.3,000
b) Rs.10,000
c) Rs.7,000
d) Rs.45,000
- 12) On 1 January 2023 M Ltd. acquires 80 per cent of the equity interests of P Ltd. by issue of equity shares of paid-up value of Rs.200 Lakhs (market value Rs.480 Lakhs). The identifiable assets are measured at Rs.760 Lakhs and the liabilities assumed are measured at Rs.120 Lakhs. Compute Non-controlling Interest if measured at proportionate net asset value.
- a) Rs.640 Lakhs
b) Rs.760 Lakhs
c) Rs.128 Lakhs
d) Rs.480
- 13) On 1 January 2023 P Ltd. acquires 80 per cent of the equity interests of Q Ltd. by issue of equity shares of paid-up value of Rs.50 Lakhs (market value Rs.120 Lakhs). The identifiable assets are measured at Rs.190 Lakhs and the liabilities assumed are measured at Rs.30 Lakhs. Non-controlling Interest is measured at proportionate net asset value. Compute the amount of Gain on Bargain Purchase.
- a) Rs.8 Lakhs
b) Rs.160 Lakhs
c) Rs.190 Lakhs
d) Rs.32 Lakhs
- 14) A Ltd. acquires 80% shares of B Ltd. for Rs.12,80,000. Fair Value (FV) of B Ltd.'s net assets at time of acquisition amounts Rs.14,80,000. Non-Controlling Interests are recognized at fair value. Compute Non-Controlling Interests.
- a) Rs.12,80,000
b) Rs.3,20,000
c) Rs.2,56,000
d) Rs.10,24,000
- 15) The pooling of interest method is considered to involve which the following?

- a) The assets and liabilities of the combining entities are reflected at their carrying amounts
b) The assets and liabilities of the combining entities are reflected at their Net realisable value
c) No adjustments are made to reflect fair values, or recognize any new assets or liabilities
d) Both 1 and 3
- 16) 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.
- 17) As per Ind AS 103, accounting and reporting for business combination is done under
- a) Acquisition Method
b) Purchase method
c) Pooling of interest method
d) None of these
- 18) When after business combination, acquiree ceases to exist, it is to be recorded in the books of the _____ in one set only, in its stand-alone accounts.
- a) Acquirer
b) Acquiree
c) both 1 and 2
d) either 1 or 2
- 19) Ind AS 103 has a wider scope than
- a) AS 15
b) AS 14
c) AS 16
d) AS 13
- 20) At what value is non-controlling interest recorded in the books of the Acquiree 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 not recognized at all
d) It is recognized either at fair value or at proportionate fair value of identified net assets.
- 21) Ind AS 103 states that the acquirer obtaining control over acquiree, recognizes 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 acquiree at Fair Value or at Proportionate Value
 c) the goodwill acquired in the business combination or a gain on bargain purchase
 d) All of these
- 22) X has acquired 100% of the equity of Y on 31.03.2023. The purchase consideration comprises of a immediate payment of Rs.100 lakhs and 3 further payments of Rs.5.0 lakhs if the return of equity exceeds 20% in each of the subsequent 3 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
- 23) Q Ltd acquired 60% interest in R Ltd. on 01-01-2022. Q Ltd paid Rs.1,800 lakhs in cash for their interest in R Ltd. The fair value of R Ltd assets is Rs.4,000 lakhs and the fair value of 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.1000 Lakhs
 d) Rs.700 Lakhs
- 24) DAWN Ltd has acquired 100% of the equity of NIGHT Ltd on 31.03.2024. The purchase consideration comprises of an immediate payment of Rs.20 lakh and three further payment of Rs.2 lakh each if return on equity exceed 16% in each of the subsequent 3 financial years. On the acquisition date the aggregate value of DAWN Ltd identifiable net assets is Rs.22,00,000. Calculate purchase consideration and Goodwill/Bargain Purchase. Assume discount rate is 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
- 25) 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
- MQP-MCQs**
- 26) 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.
- 27) On 1 January 2024 A Ltd. Acquires 80 percent of the equity interests of B Ltd in exchange of cash of ₹600 lakhs. The identifiable assets are measured at ₹925 lakh and the liabilities assumed are measured at ₹150 lakh. The fair value of the 20 percent non-controlling interest in P is ₹90 lakhs. The gain on bargain purchase will be -
 a) ₹90 lakhs
 b) ₹85 lakhs
 c) ₹105 lakhs
 d) ₹75 lakhs
- 28) Ind AS-103 states that the acquirer obtaining control over acquiree, 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 acquiree at Fair Value or at Proportionate Value
 c) goodwill acquired in the business combination or a gain on bargain purchase
 d) All of the above
- 29) Q Ltd. acquired a 75% interest in R Ltd on January 1, 2023. Q Ltd. paid ₹900 Lakhs in cash for their interest in R Ltd. The fair value of R Ltd.'s assets is ₹2000 Lakhs, and the fair value of its liabilities is ₹920 Lakhs. NCI valued at Fair Value and at Proportionate Value are:
 a) ₹300 lakhs and ₹360 lakhs
 b) ₹225 lakhs and ₹270 lakhs.
 c) ₹300 lakhs and ₹270 lakhs.
 d) ₹225 lakhs and ₹360 lakhs.
- 30) On March 31, 201X, A Ltd Absorbed B Ltd. A Ltd. issued 60,000 equity shares (₹10 par

value) that were trading at ₹25 on March 31. The book value of B's net assets was ₹12,00,000, Equity Share Capital ₹5,00,000 and Other Equity ₹7,00,000 on March 31. The fair value of net assets of B Ltd. was assessed at ₹13,00,000. Compute purchase consideration as per Ind AS 103.

- a) ₹15,00,000
- b) ₹17,00,000
- c) ₹20,00,000
- d) ₹18,00,000

31) On 1 January 2021 A Ltd. Acquires 80 percent of the equity interests of B Ltd in exchange of cash of ₹ 600 lakhs. The identifiable assets are measured at ₹925 lakh and the liabilities assumed are measured at ₹150 lakh. The fair value of the 20 per cent non-controlling interest in P is ₹ 90 lakhs. The gain on bargain purchase will be -

- a) ₹90 lakhs
- b) ₹85 lakhs
- c) ₹105 lakhs
- d) ₹75 lakhs

32) In business combination, control of business can be obtained by _____ .

- a) Acquiring assets and assuming liabilities (such assets and liabilities must constitute business, otherwise it is not a business combination)
- b) By acquisition of shares
- c) By other legal process
- d) All of the above

33) A Ltd acquires B Ltd by purchasing 70% of its equity for ₹ 17.5 lakh in cash. The fair value of non - controlling interest is determined as ₹12 lakh. The value of net identifiable assets and liabilities, as measured in accordance with Ind-AS 103 is determined as ₹ 8 Lakh. How much goodwill is recognized?

- a) ₹21.5 Lakh
- b) ₹ 19.5 Lakh
- c) ₹ 12.7 Lakh
- d) None

34) As per Ind AS 103, accounting and reporting for business combination is done under _

- a) Acquisition Method
- b) Purchase method
- c) Pooling of interest method
- d) None of the above

35) Cee Ltd. acquired a 60% interest in Jee Ltd. on January 1, 2021. Cee Ltd. paid ₹ 700 Lakhs in cash for their interest in Jee Ltd. The fair value of Jee Ltd.'s assets is ₹ 1,800 Lakhs and the fair value of its liabilities is ₹ 900 Lakhs. Compute the Non-controlling interest

(NCI) at Net Assets Method.

- a) ₹ 360 Lakhs
- b) ₹ 700 Lakhs
- c) ₹ 280 Lakhs
- d) None of the above

36) As per Ind AS 103, accounting and reporting for business combination transactions is done under _____. Provide justification for your answer.

- a) Acquisition Method
- b) Purchase method
- c) Pooling of interest method
- d) None of the above

37) Kaa Ltd. absorbs Baa Ltd. and shares are issued by Kaa Ltd. using swap ratio 3:7. The face value of each share is ₹ 10 for both the companies. The intrinsic value of each shares of Kaa Ltd. is ₹ 14. Baa Ltd. has 70000 shares. Total purchase consideration is equal to

- a) ₹4,20,000
- b) ₹6,82,000
- c) ₹3,78,000
- d) ₹2,70,000

38) On 1 January 2021, A Ltd. acquires 80 per cent of the equity interests of B Ltd for ₹560 lakh. The identifiable assets are measured at ₹ 960 lakh and the liabilities assumed are measured at ₹160 lakh. The non-controlling interest in B Ltd. is measured at fair value. The gain on bargain purchase will be



- a) ₹ 90 lakh
- b) ₹ 100 lakh
- c) ₹ 55 lakh
- d) ₹ 75 lakh

39) Ind AS 103 states that the acquirer obtaining control over acquiree, 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 acquiree 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

40) As per Appendix C of Ind AS 103, accounting and reporting for business combination under common control is done under _____. Justify your selection.

- a) Acquisition Method
- b) Purchase method
- c) Pooling of interest method

- d) None of the above
- 41) C Ltd. acquires 60% of N Ltd. for ₹ 97,50,000. The fair value of its identifiable net assets is ₹ 1,50,00,000. The fair value of 40% of the equity shares owned by the non-controlling shareholders is ₹ 65,00,000. Carrying amount of N Ltd.'s net assets is ₹ 1,20,00,000. Calculate the value of goodwill when NCI is measured as proportionate share of identifiable net asset.
- a) ₹ 12,50,000 
- b) ₹ 30,00,000
- c) ₹ 7,50,000
- d) ₹ 32,50,000
- 42) Mahi Ltd. and Pooja Ltd. amalgamated from 1st January, 2025. A new Company Majoo Ltd. with shares of ₹ 10 each was formed to take over the businesses of the existing companies. Net Assets taken over of Mahi Ltd. and Pooja Ltd. are ₹ 90.5 Lakhs and ₹ 97.0 Lakhs respectively. Total purchase consideration payable is ₹ 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

CONSOLIDATIONS

- 1) 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 these 
- 2) 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 27
- b) Ind AS 28 
- c) Ind AS 110
- d) Ind AS 112
- 3) 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 these
- 4) _____ is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control
- 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 these
- 5) A Joint arrangement is either a _____ or a joint venture

- a) Joint operation
 b) Joint control
 c) Joint partnership
 d) None of these
- 6) _____ is a method of accounting whereby the investment is initially recognised at cost and adjusted thereafter for the post- acquisition change in the investors share of the investee's net assets.
- a) Equity method
 b) Pooling interest method
 c) Purchase method
 d) None of these
- 7) Which of the following is not a type of joint arrangement recognized under Ind AS 111?
- a) Joint Venture
 b) Joint Operation
 c) Joint Control Entity
 d) Joint Contribution Entity
- 8) How is the investor's share of profit or loss from a joint venture recognised?
- a) As a revenue
 b) As a liabilities
 c) As an expense
 d) As a part of equity
- 9) An _____ is an entity over which the investor has significant influence.
- a) Associate
 b) Joint Venture
 c) Partnership
 d) All of these
- 10) 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
- 11) On 01.04.2022 GANGA Ltd. purchased a 30% interest in SAGAR Ltd. for Rs.2,50,000. On that date SAGAR's shareholder's 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

- for the year ended 31.03.2023, SAGAR Ltd reported net income of Rs.1,50,000 and paid total dividend of Rs.40,000. Calculate the amount that GANGA Ltd. would report as its investment in SAGAR Ltd. on 31.03.2023
- a) Rs.3,60,000
 b) Rs.2,95,000
 c) Rs.2,83,000
 d) Rs.2,50,0000
- 12) 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 subsidiary
 b) Accumulated NCI at the beginning of the reporting period
 c) The proportion of ownership interests held by NCI
 d) Accumulated NCI at the end of reporting period
- Choose correct option:
- a) All the items to be disclosed
 b) Items A,B,C to be disclosed
 c) Items B,C,D to be disclosed
 d) Items A,C,D to be disclosed
- 13) On 01.04.2023 Rita Ltd invested in the equity shares of Sita Ltd at a cost of Rs.2,00,000 to acquire 25% share in voting power of Sita Ltd. Rita Ltd concluded that Sita Ltd is now an associate of Rita Ltd. On 31.03.2024 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.8000. The carrying amount of investment in Sita Ltd as at 31.03.2024 as per relevant Ind AS is
- a) Rs.2,00,000
 b) Rs.2,05,000
 c) Rs.2,06,000
 d) Rs.2,04,000
- 14) Surendra Ltd a parent sold goods costing Rs.400 lakh to its 80% subsidiary, Narendra Ltd at Rs.480 Lakh. 50% of these goods are lying in stock at 31.03.2024. Narendra Ltd has measured this inventory at cost Rs.240 lakhs. The tax rate is 30%. The deferred tax to be shown in the consolidated financial statements is:
- a) Rs.12,00,000
 b) Rs.60,00,000
 c) Rs.72,00,000
 d) Rs.1,20,00,000
- 15) 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:

- Gain of Rs.1,50,000
- Loss of Rs.1,50,000
- Gain of Rs.90,000
- None

MQP-MCQs

- 16) Consolidated financial statements are required to be prepared by an Ind AS complied company if it holds shares in the investee company_____.
- Entailing 20% or more voting rights having significant influence over the investee company (called Associate as per Ind AS 28)
 - Entailing joint control over the investee company (called a Joint Venture as per Ind AS28)
 - Entailing control over investee company (called subsidiary company as per Ind AS 110)
 - All of the above
- 17) 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:
- 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
 - that it has joint control of an arrangement or significant influence over another entity
 - the type of joint arrangement (i.e. joint operation or joint venture) when the arrangement has been structured through a separate vehicle
 - All of the above
- 18) An investment entity is an entity that_____.
- obtains funds from one or more investors for the purpose of providing those investor(s) with investment management services
 - commits to its investor(s) that its business purpose is to invest funds solely for returns from capital appreciation, investment income, or both
 - measures and evaluates the performance of substantially all of its investments on a fair value basis
 - All of the above

- 19) _____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.

The options are:

- Ind AS 112
- Ind AS 110
- Ind AS 28
- Ind AS 27

- 20) Consolidated Financial Statements are required to be prepared by an Ind AS complied company having _____.
- sole control over the investee company
 - significant influence over the investee company
 - joint control over the investee company
 - All of the above
- 21) On 01.04.2024, BM Ltd. acquired 90% share of CM Ltd. at ₹ 10,80,000, when the fair value of its Net Assets was ₹ 10,00,000. During 01.04.2024 to 31.03.25, CM Ltd. made total comprehensive income of ₹ 2,00,000. On that date BM Ltd. sold 15% holding to outsiders at ₹ 2,20,000. Gain credited to Other Equity will be:
- ₹ 1,80,000
 - ₹ 80,000
 - ₹ 40,000
 - ₹ 33,000
- 22) 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 _____.
- Acquisition method
 - Purchase method
 - Equity method
 - Pooling of Interest method
- 23) As per Ind AS 112 certain disclosures are required to be made about non-controlling interests. Some items of disclosures are given below:
- The name of the subsidiary.
 - Accumulated non-controlling interest at the beginning of the reporting period.
 - The proportion of ownership interests held by non-controlling interests.
 - Accumulated non-controlling interest at the end of the reporting period.
- Choose correct option:
- All the items are to be disclosed.
 - 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.

RECENT DEVELOPMENTS

- 1) 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
- 2) 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
- 3) 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 organization's value
 - d) All of the above
- 4) In 4P Bottom Line Reporting bottom _____ line relate business with happiness of stakeholders
 - a) First
 - b) Second
 - c) Third
 - d) Forth
- 5) The key challenges for implementation of QBL reporting framework are _____.
 - a) Awareness of relevant issues associated with QBL reporting
 - b) Understanding stakeholder requirements
 - c) Aligning QBL reporting with objectives and risks
 - d) All of these
- 6) External benefits of sustainability reporting can include _____.
 - a) Enhanced link between financial and non-financial performance
 - b) Improving reputation and brand loyalty
 - c) Enhanced perception on organization's value
 - d) Both 2 and 3
- 7) Which of the following is / are benefit/s of XBRL Reporting?

CORPORATE FINANCIAL REPORTING



- a) Automated Data Processing
 b) Improved reporting quality
 c) Cost and time savings
 d) All of these
- 8) XBRL stands for
- a) Extended Business Reporting Language
 b) Extensible Business Reporting Language
 c) Extensible Business Reporting Laws
 d) Extended Business Reported Language
- 9) EVA = _____ - (WACC × Invested Capital)
- a) NOPAT
 b) PAT
 c) EBIT
 d) None of these
- 10) _____ 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
- 11) Corporate sustainability reporting helps companies to _____.
- a) Assess and manage their sustainability impacts
 b) Report their contributions to sustainable development
 c) Integrate sustainability into their business strategies
 d) All of these
- 12) 4P Bottom Line of Reporting concept requires an organization to report on:
- a) Social, Environmental, Sustainability and Spiritual dimension
 b) Social, Environmental, Economic and Political dimension
 c) Social, Environmental, Economic and Spiritual dimension
 d) None
- 13) Market Value Added (MVA) is:
- a) The difference between the current book value of company and capital contributed by investors (both the shareholder and debt holder)
 b) The difference between the current total market value of company and capital contributed by investors (both the shareholder and debt holder)
 c) The difference between the current total market value of company and capital

CORPORATE FINANCIAL REPORTING



- contributed by investors (i.e., the shareholders)
- d) None
- 14) With respect to integrated reporting which of following is not true?
- a) An integrated report is necessarily to be stand-alone report
 b) The framework of integrated reporting is written primarily for private companies
 c) The 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
- 15) 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) Questions and Answer Session
 d) Examination of audit report
- 16) 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

MQP-MCQs

- 17) 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) All of the above
- 18) 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
- 19) International Integrated Reporting Council (IIRC) launched IR as a global framework in _____.

- a) November 2013
 b) December 2012
 c) November 2012
 d) December 2013
- 20) Which of the following criteria is not used in the context of ESG? Why?
 a) Environmental test criterion
 b) Social test criterion
 c) Governance test criterion
 d) Competitive test criterion
- 21) Net Profits of J Ltd. for the years 2020-2021, 2019-2020, 2018-2019, 2017-2018, 2016-2017 are ₹ 25 crore, ₹ 20 crore, ₹ 15 crore, ₹ 10 crore and ₹ 5 crore respectively. During 2020-2021, the company incurred ₹ 7,00,000 and ₹ 3,00,000 on free education and medical treatment of the employees of the company and their families respectively under CSR projects. Calculate the short fall of expenditure on Corporate Social Responsibility as per The Companies Act, 2013.
 a) ₹ 23,00,000
 b) ₹ 20,00,000
 c) ₹ 30,00,000
 d) None of these
- 22) External benefits of sustainability reporting can include _____ and why?
 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
- 23) The following information is available from EX Ltd.
 Sales Revenue: ₹1,055 Lakh; Purchase of Raw Materials: ₹530 Lakhs
 Decrease in the Stock of Raw Materials, WIP and Finished Goods: ₹25 Lakhs
 Printing and Stationery: ₹35 Lakhs; Auditor's Fees: ₹5 Lakhs
 Rent, Rates and other Expenses: ₹10 Lakhs; Wages & Salaries: ₹100 Lakh
 Depreciation: ₹30 Lakhs.
 The amount of Total Value Added is _____.
 a) ₹1,055 Lakhs
 b) ₹500 Lakhs
 c) ₹450 Lakhs
 d) ₹320 Lakhs
- 24) GILLOY TULSI Ltd. has the following Capital Structure as at 31st March, 2023:

	Amount
Equity Share Capital (fully paid shares of ₹10 each)	₹300 crores

15% Pref. Share Capital (fully paid shares of ₹100 each)	₹100 crores
15% Debentures (fully paid of ₹100 each)	₹800 crores
Retained Earnings	₹300 crores

Currently Quoted Prices in the stock exchange: Equity Shares @ ₹60, Preference Shares @ ₹90, Debentures @ ₹95.

Calculate the Market Value Added.

- a) ₹1350 crores
 b) ₹1250 crores
 c) ₹1150 crores
 d) None of the above
- 25) Mogari Ltd. provides the following financial data for the year ended 31st March, 2024:
 Net Operating Profit Before Interest and Tax: ₹ 17,50,000;
 Total Capital Employed: ₹ 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) ₹ 7,90,000
 b) ₹ 5,25,000
 c) ₹ 2,65,000
 d) ₹ 6,50,000

GOVERNMENT ACCOUNTING IN INDIA

- 1) Which of the following is not a feature of Government Accounting?
- Non-fund-based Accounting
 - Double Entry System
 - Adherence to Government Regulations
 - Transacting through Banks
- 2) GASAB stands for _____.
- Government Accounting Standards Advisory Board
 - Government Accounting Standards Applicability Board
 - Government Auditing Standards Advisory Board
 - Government Accounting for States Advisory Board
- 3) IGAS 2 is related to _____.
- Accounting and Classification of Grants-in-aid
 - Guarantees given by Governments: Disclosure Requirements
 - Government Investments in Equity
 - None of the above
- 4) Which of the following is not a general principal of Government Accounting?
- Reporting of Utilisation of Public Funds
 - Expenditures are classified under Sectors, major heads, minor heads, sub-heads and detailed heads of Accounts
 - Budget Based
 - Single Entry System
- 5) Standards developed for accrual system of accounting in the Government are called the _____.
- Indian Government Accounting Standards
 - Indian Government Reporting Standards
 - Indian Government Financial Reporting Standards
 - Indian Government Accounting and Reporting Standards
- 6) Which of the following is/ are responsibility/responsibilities of GASAB?
- Formulating and proposing standards that improve the usefulness of financial reports
 - Keeping the standards up to date and reflect change in the Governmental environment
 - Improving standard of Government accounting and financial reporting
 - All of the above
- 7) As per The Constitution of India, the Accounts of the Government are kept in
- Consolidated Funds of India
 - Public Accounts of India

- Contingency Funds of India
 - All of the above
- 8) 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
- the opening balance, additions and discharges during the year, closing balance and net change in rupee terms with respect to internal debt
 - the opening balance, additions and discharges during the year, closing balance and net change in rupee terms with respect to external debt, wherever applicable
 - the opening balance, receipts and disbursements during the year, closing balance and net change in rupee terms with respect of other obligations
 - All of the above
- 9) Consolidated Fund of India is the fund referred to in _____ of the Constitution of India
- Article 266(1)
 - Article 266(2)
 - Article 266(3)
 - Article 266(4)
- 10) 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
- The summary of Loans and Advances showing loanee group-wise details
 - The summary of Loans and Advances showing Sector-wise details
 - The summary of repayments in arrears from Governments and other loanee entities
 - All of the above
- 11) In India, Government Accounting Standards are issued by
- Government Accounting Standards Advisory Board
 - Government Accounting Standards Applicability Board
 - Government Auditing Standards Advisory Board
 - Government Accounting for States Advisory Board
- 12) Which of the following is not an objective of government accounting?
- To provide reliable data regarding the operation of the public funds
 - To avoid excess expenditure beyond the budgetary approval
 - To prevent misappropriation of government properties
 - To facilitate tax collection by the concerned government department
- 13) Indian Government Accounting Standards (IGAS-1) deals with
- Guarantees given by governments: Disclosure Requirements
 - 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
- 14) 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

MQP-MCQs

- 15) 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
- 16) 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
- 17) 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)
- 18) Which of the following is not a feature of Government Accounting? Why?
- a) Reporting utilization of public funds
 b) Double Entry System
 c) Non-fund-based accounting
 d) Both (A) and (B)
- 19) GASAB stands for _____. Provide justification for your selection.
- 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

- 20) 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
- 21) 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
- 22) Indian Government Accounting Standard (IGAS) 2 deals with _____.
- a) Loans and advances made by the Government
 b) Guarantees given by Governments: Disclosure Requirement
 c) Government Investment in Equity
 d) Accounting and Classification of Grants-in-aid

MISCELLANEOUS

- 1) ORBIT Ltd. provides you the following data regarding defined benefit pension plan for the year ending 31.03.2023
- i) Benefits Paid-Rs.2,00,000
 - ii) Employer Contribution-Rs.2,80,000
 - iii) Fair Market value of plan assets on 31.03.2023-Rs.11,40,000
 - iv) Fair Market value of plan assets on 31.03.2022-Rs.8,00,000
- The amount of actual return of plan assets is:
- a) A. Rs.2,80,000
 - b) B. Rs.2,60,000
 - c) C. Rs.2,00,000
 - d) D. Rs.4,60,000