



Corporate Financial Reporting

1. **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
2. **4P Bottom Line 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 of the above
3. **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
4. **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
5. **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
6. **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) 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.



Multiple Choice Questions

7. CORE Ltd. has a plant with a carrying amount of ₹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 plant to ₹2,00,000 on April 1, 2022 and recognize revaluation reserve of ₹80,000. Calculate depreciation to be accounted for in the Statement of Profit or Loss in 2022-23.

- (A) ₹30,000
- (B) ₹50,000
- (C) ₹12,000
- (D) ₹10,000

8. 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:

- (A) ₹80 lakhs
- (B) ₹36 lakhs
- (C) ₹28 lakhs
- (D) ₹72 lakhs

9. Normal dividend expected on equity shares of A Ltd. is 8%. The profit available to equity shareholders is ₹3,83,125 and value of net asset for equity shareholders is ₹40,82,000. Calculate value of each equity share under fair value method if number of outstanding equity share is 1,00,000 and face value is ₹10.

- (A) ₹44.36
- (B) ₹46.26
- (C) ₹47.89
- (D) None of the above

10. ORBIT Ltd. provides you following data regarding defined benefit pension plan for the year ended 31.03.2023

Particulars	₹
Benefits paid	2,00,000
Employer contribution	2,80,000
Fair market value of plan assets on 31.03.23	11,40,000
Fair market value of plan assets as on 31.03.22	8,00,000

The amount of actual return of plan assets is:

- (A) ₹2,80,000
- (B) ₹2,60,000
- (C) ₹2,00,000
- (D) ₹4,60,000

11. 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 amount to be recognised as expense for year ended 2022-23.

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



12. On April 1, 2022 GANGA Ltd. purchased a 30% interest in SAGAR Ltd. for ₹2,50,000. On that date SAGAR's shareholders' equity was ₹5,00,000. 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 March 31 year end. For year ended 31.03.2023, SAGAR Ltd. reported net income of ₹1,50,000 & paid total dividends of ₹40,000. Calculate amount that GANGA Ltd. would report as investment in SAGAR Ltd. on March 31, 2023.
- (A) ₹3,60,000
(B) ₹2,95,000
(C) ₹2,83,000
(D) ₹2,50,000
13. X has acquired 100% of the equity of Y on March 31, 2023. The purchase consideration comprises of an immediate payment of ₹100 lakhs and three further payments of ₹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) ₹100 lakhs
(B) ₹110.532 lakhs
(C) ₹110 lakhs
(D) ₹115 lakhs
14. 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 ₹4,000 Lakhs, and the fair value of its liabilities is ₹2,000 Lakhs. If NCI is valued at fair value, goodwill amounts to:
- (A) ₹600 lakhs
(B) ₹500 lakhs
(C) ₹1000 lakhs
(D) ₹700 lakhs
15. ALAKANANDA Ltd. is engaged in manufacturing and selling of designer furniture. It for sells goods on extended credit. ALAKANANDA Ltd. sold furniture for ₹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 ₹80,00,000 and Interest income ₹2,40,000
(B) Revenue from sale ₹80,00,000 and Interest income ₹6,40,000
(C) Revenue from sale ₹76,29,630 and Interest income ₹6,10,370
(D) None of the above
16. ALOE VERA TULSI Ltd. gives the following data pertaining to its six segments: (₹ in lakhs)
- Segment Assets -**
Total Segment Assets - 880; A - 220; B - 336; C - 132; D - 62; E - 96; F - 54;
- Segment Results -**
Total Segment Results - (400); A - 260; B - (760); C - 40; D - 40; E - (40); F - 60;
- Segment Revenue -**
Total Segment Revenue - 4800; A - 1200; B - 2480; C - 300; D - 240; E - 340; F - 240
- 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 and F - ₹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, E, F
(D) A, B, C, E



Multiple Choice Questions

17. GILOY TULSI Ltd. has the following Capital Structure as at 31st March, 2023:

Particulars	₹ in crores
Equity Share Capital (fully paid shares of ₹10 each)	300
15% Pref. Share Capital (fully paid shares of ₹100 each)	100
15% Debentures (fully paid of ₹100 each)	800
Retained Earnings	300

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

18. 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, $\text{Goodwill} = \text{Consideration} + \text{Non-controlling Interest} - \text{Net assets}$
- (C) Non-controlling interest is recognised either at fair value or at proportionate fair value of identified net assets in books of Acquiree at time of a business combination under Ind AS 103 & is shown as an item under Equity in B/S.
- (D) None of the above

19. 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

20. 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 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.]

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

21. 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

22. 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

23. 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

24. 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 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 the 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

25. 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

26. EARTH Ltd. purchased an equipment for ₹51 lakhs on April 1, 2022. The useful life of the equipment is 5 years and the residual value is estimated to be ₹1 lakh. The company adopts straight line method of depreciation. On March 31, 2023, a test for impairment was conducted after obtaining the following information:

Fair value less costs to sell = ₹36 lakhs

Value in use = ₹32 lakhs

What will be the impairment loss to be recognized for the year ending March 31, 2023?

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

27. CLtd. acquires 60% of N Ltd. for ₹97,50,000. Fair value of its identifiable net assets is ₹1,50,00,000. 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 assets.

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

28. An entity purchases plant from a foreign supplier for \$3 million on January 31, 2023, when the exchange rate was ₹79 = \$1. At the entity's year-end of March 31, 2023, the amount has not been paid. The closing exchange rate was ₹82 = \$1. The entity's functional currency is the INR. Which of the following statements is correct?

- (A) Cost of plant ₹237 million, exchange loss ₹9 million, trade payable ₹246 million.
- (B) Cost of plant ₹246 million, exchange loss ₹9 million, trade payable ₹246 million.
- (C) Cost of plant ₹237 million, exchange loss ₹9 million, trade payable ₹237 million.
- (D) Cost of plant ₹237 million, exchange loss nil, trade payable ₹237 million.

29. On April 1, 2018, R Ltd. purchased heavy-duty equipment for ₹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 ₹40,000. Accordingly, the annual depreciation worked out to ₹36,000 = $[(₹4,00,000 - ₹40,000)/10]$. On April 1, 2022, 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, 2022 was seven years and its residual value was ₹46,000. The revised annual depreciation for the year 2022-23 is

- (A) ₹30,000
- (B) ₹36,000
- (C) ₹46,000
- (D) ₹35,000



30. Normal dividend expected on equity shares of A Ltd. is 8% while fair return is 10%. The profit available to equity shareholders is ₹3,83,125 and value of net assets for equity shareholders is ₹40,82,000. Calculate value of each equity share under fair value method if number of outstanding equity share is 1,00,000 and face value is ₹10.

- (A) ₹38-41
- (B) ₹44-36
- (C) ₹47-89
- (D) ₹40-82

31. Consider the following statements:

- (I) The Consolidate Funds of India is constituted under Article 266 (1) of the Constitution of India.
- (II) The Public Accounts of India is Constituted under Article 266(2) of the Constitution of India.
- (III) The Contingency Funds of India is constituted under Article 266(3) of the Constitution of India.

Which of the following is correct?

- (A) Statement I is correct but II is wrong.
- (B) All the statements are correct.
- (C) Statements II & III are correct.
- (D) Statements I & II are correct.

32. In the year 2019-20, Rajesh Ltd. had the net profit of ₹6 crores and hence fulfilled the corporate social responsibility (CSR) as per section 135 of the Companies Act, 2013 and the rules there under. However, it did not fulfil any of the criteria of section 135 in the years 2020-21, 2021-22 and 2022-23. So, in the years 2020-21, 2021-22 and 2022- 23, Rajesh Ltd.:

- (A) Is not required to fulfil CSR obligations.
- (B) Is required to fulfil CSR obligations.

- (C) May or may not fulfil CSR obligations as per its discretion.
- (D) Is required to fulfil CSR obligations in only one of the three years.

33. On 1st January 2023, BUILDING Ltd. borrowed ₹50 Lakh at an interest rate of 12% p.a. to finance the costs of construction of factory building amounting to ₹50 Lakhs. Construction commenced on 1st January 2023. Not all the cash borrowed was used immediately, so interest income of ₹75,000 was generated by temporarily investing some of the borrowed funds prior to use. The project was completed on 31st October 2023. What is the carrying amount of the building at 31st October 2023?

- (A) ₹55,00,000
- (B) ₹54,25,000
- (C) ₹55,75,000
- (D) ₹54,20,000

34. SKY Ltd. operates a production line which is treated as a cash generating unit for impairment review purposes. As at 31st March 2023, the carrying amounts of assets are as follows:

Goodwill	₹50,000
Plant & Machinery	₹2,00,000
Total	₹2,50,000

The recoverable amount is estimated at ₹1,75,000. The revised carrying amount of assets in accordance with appropriate accounting standard is:

- (A) Goodwill ₹35,000 and Plant & Machinery ₹1,40,000
- (B) Goodwill NIL and Plant & Machinery ₹1,75,000
- (C) Goodwill NIL and Plant & Machinery ₹2,50,000
- (D) Goodwill ₹50,000 and Plant & Machinery ₹1,75,000



Multiple Choice Questions

35. Goodwill on the basis of Capitalisation of Super Profits ₹5,00,000. Goodwill on the basis of Capitalisation of Average Profits ₹3,00,000. Goodwill on the basis of four years' purchase of Super Profits. ₹2,00,000 Opening Capital Employed is 2/3rd of Closing Capital Employed. Calculate Goodwill of the firm at 3 years' purchase of Average Profits of the firm.
- (A) ₹3,50,000
(B) ₹2,50,000
(C) ₹1,50,000
(D) None of the above
36. 4,00,000 Equity Shares of ₹10 each, ₹8 paid up 7,00,000. Equity Shares of ₹5 each fully called up (Calls-in-arrears @ ₹2 on 2,00,000 shares). 10,000 9% Preference Shares of ₹100 each fully paid up. Normal Rate of Earnings-9%. Fair Value of an Equity Share (₹3 paid up) ₹5.60. Calculate Expected FMP for Equity Shareholders.
- (A) ₹24.1 lakh
(B) ₹17.01 lakh
(C) ₹15.01 lakh
(D) None of the above
37. Which of the following is true?
- (A) Internal Reconstruction can be done only in companies case incurring losses.
(B) Reconstruction A/c/Capital Reduction A/c is either debited or credited when Internal Reconstruction is carried out either by way of Variation of Shareholders' Rights u/s 48 or Alteration of Share Capital u/s 61.
(C) Reconstruction A/c/Capital Reduction A/c is always credited when Internal Reconstruction is carried out by way of Reduction of Share Capital u/s 66.
(D) Reconstruction A/c/Capital Reduction A/c is neither debited nor credited when Internal Reconstruction is carried out either by way of Variation of Shareholders' Rights u/s 48 or Alteration of Share Capital u/s 61.
38. Which of the following is true?
- (A) Interest earned on Advances given to suppliers is Investing Cash Inflow.
(B) TDS on interest earned on advances given to suppliers is Investing Cash Outflow.
(C) Insurance claim received against damage of Godown by fire is an Extraordinary item to be shown under a separate heading as 'Cash inflow from Operating activities'.
(D) None of the above
39. Which of the following is not true?
- (A) An item of Income or Expenditure is to be disclosed separately in the Statement of Profit/Loss of a Company if its amount exceeds 1% of the Revenue from Operations or ₹1,00,000, whichever is higher.
(B) The figures appearing in the Financial Statements are compulsorily required to be rounded off to the nearest lakhs, millions or crores or decimal thereof if TOTAL INCOME is at least ₹100 crore.
(C) The financial year of X Ltd incorporated on 1st January 2023 will end on 31st March 2023.
(D) Cash Flow Statement is not required to be prepared by One Person Company, Small Company & Dormant Company.
40. Which of the following is not true?
- (A) A Company can not pay dividend on calls-in-advance.
(B) A Company can declare and distribute Final Dividend in the event of loss in any financial year.

- (C) In the event of inadequacy or absence of profit in any financial year, if dividend is declared by a company for that year out of Surplus, then 4 conditions as per The Companies (Declaration and Payment of Dividend out of Reserves) Rules, 2014 need not be fulfilled.
- (D) A Company can declare and distribute Interim Dividend in the event of loss in any financial year.
41. A property costing ₹25,00,000 and ready for use is bought on 1st April, 2021 but this property is actually put to use on 1st April, 2022. Its estimated total physical life is 20 years. However, the company considers it likely that it will sell the property after 10 years. The estimated residual value in 10 years' time, based on 2021-2022 prices, is ₹5,00,000. After charging depreciation for 4 years, the remaining useful life of the property is reassessed as 8 years and the residual value is re-estimated at ₹9,00,000 and the property is revalued upwards by ₹80,000. From 6th Year the company decides to adopt written down value method by charging depreciation @20%. Calculate the depreciation for 6th Year as per relevant Accounting Standard.
- (A) ₹1,10,000
(B) ₹1,54,000
(C) ₹1,85,000
(D) None of the above
42. JHUNJHUNWALA group had Property, Plant & Equipment (PP&E) with a book value of ₹25,00,000 on 31st March, 2022. Last year the property was revalued upwards by ₹3,00,000 and increase of that asset was recognized in the Revaluation Surplus Account. Fair Value as a result of Revaluation done on 31st March, 2022 was ₹21,00,000. Calculate the amount to be recognized in the Profit & Loss Account as per relevant Accounting Standard.
- (A) Profit & Loss Account to be debited with ₹4,00,000.
(B) Profit & Loss Account to be debited with ₹1,00,000.
(C) Profit & Loss Account to be credited with ₹4,00,000.
(D) Profit & Loss Account to be credited with ₹1,00,000.
43. TASHIKA Ltd. an engineering goods company provides after sales warranty for 2 years to its customers. Based on past experience, the company has the following policy for making provision for warranties on the invoice amount, on the remaining balance warranty period:
Less than 1 year: 2% provision, More than 1 year: 3% provision.
The company has raised invoices as under:
- | Invoice Date | 19.01.20 | 29.01.21 | 15.10.21 |
|--------------|----------|----------|----------|
| Amount | ₹40,000 | ₹25,000 | ₹90,000 |
- Calculate the amount to be debited to Profit and Loss Account for the year ended 31st March, 2022.
- (A) ₹1,650
(B) ₹3,200
(C) ₹1,550
(D) None of the above
44. A business combination is a transaction or other event in which an acquirer obtains _____ of one or more businesses.
- (A) Responsibility
(B) Control
(C) Only Assets
(D) Goodwill

45. SAHIL Ltd. has its financial year ended 31.03.2022, fifteen law suits outstanding, none of which has been settled by the time the accounts are approved by the directors. The directors have estimated that the probable outcomes as below:

Particulars	Probability	Amount of Loss ₹
For first ten cases:		
Win	0.6	-
Loss-low damages	0.3	90,000
Loss-high damages	0.1	2,00,000
For remaining five cases:		
Win	0.5	-
Loss-low damages	0.3	60,000
Loss-high damages	0.2	1,00,000

The directors believe that the outcome of each case is independent of the outcome of all the others. Estimate the amount of Contingent Loss.

- (A) ₹4,70,000
(B) ₹1,90,000
(C) ₹6,60,000
(D) None of the above
46. A Ltd. acquires 80% of B Ltd. for ₹9,60,000 paid by equity at par. Fair Value (FV) of B's net assets at time of acquisition amounts ₹8,00,000. What will be the Non-Controlling-Interest (NCI)?
- (A) ₹1,60,000
(B) ₹6,40,000
(C) ₹9,60,000
(D) ₹76,800
47. A company that does not have a subsidiary, associate or investment in joint venture shall prepare _____.
- (A) Individual financial statements
(B) Consolidated financial statements
(C) Separate financial statements
(D) All of the above
48. An asset is impaired when carrying amount of the asset exceeds its _____.
- (A) Fair Value
(B) Recoverable Amount
(C) Value in Use
(D) Fair Value less Cost to Sell
49. Capital Employed is ₹255 Lakhs; Annual average profits are ₹57 Lakhs; Normal rate of return is 12%. What will the value of goodwill on the basis of Capitalization of super profits?
- (A) ₹220 Lakhs
(B) ₹475 Lakhs
(C) ₹6.84 Lakhs
(D) ₹26.40 Lakhs
50. Which of following is constituted under Article 266(2) of Constitution of India?
- (A) Contingency funds of India
(B) Consolidated funds of India
(C) Public Accounts of India
(D) All of the above
51. A firm values goodwill under 'Capitalization 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. What will be the value of Goodwill based on capitalization of average profit?
- (A) ₹1,20,000
(B) ₹6,00,000
(C) ₹5,00,000
(D) ₹4,80,000



52. Which of the following is myth about XBRL?
- (A) XBRL is freely licensed and available to the public
 - (B) XBRL deals with business reporting information
 - (C) XBRL provides a mechanism for facilitating a drilldown of existing GAAP information into lower levels of information
 - (D) XBRL is not a set of Accounting Standards
53. 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) 7 members of Lok Sabha and 15 members of Rajya Sabha.
 - (C) 15 members of Lok Sabha and 10 members of Rajya Sabha.
 - (D) 10 members of Lok Sabha and 7 members of Rajya Sabha.
54. Under Ind AS 103, at what value the non-controlling interest is recorded in the books of the acquiree at the time of a business combination transaction?
- (A) It is recognised at fair value only
 - (B) It is recognised at proportionate fair value of identified net assets only
 - (C) It is not recognised at all
 - (D) It is recognised either at fair value or at proportionate fair value of identified net assets.
55. A joint arrangement has the following characteristics:
- (A) The parties are bound by a contractual arrangement.
 - (B) The contractual arrangement gives two or more of those parties joint control of the arrangement.
 - (C) Both (i) and (ii)
 - (D) None of the above
56. SHEENA TASHIKA Ltd. made the following payments during the year ended 31st March 2021:
- ₹60 lakhs to acquire a Software, ₹60 lakhs to acquire a Website for a period of 8 years, ₹60 lakhs to acquire a Copy right for a period of 15 years, ₹60 lakhs to acquire Goodwill of a firm, ₹60 lakhs to acquire Goodwill arising under Amalgamation in the nature of Purchase, ₹60 lakhs to acquire a Patent for a period of 5 years. ₹60 lakhs to acquire Stock Exchange Membership Rights, ₹60 lakhs to the State Government towards the cost of roads built in the vicinity of the project for the purpose of carrying materials to the site. The roads so built is the property of State Government ₹60 lakhs towards extensive special initial advertisement campaign for the new product. ₹60 lakhs to develop a Drug to treat Cancer but AS 26 criteria for capitalization was not met.
- What is the Total Amortization Cost to be charged to Profit & Loss A/c?
- (A) ₹233.5 lakhs
 - (B) ₹238 lakhs
 - (C) ₹246 lakhs
 - (D) None of these



Multiple Choice Questions

57. JIWARAM CONFECTIONERS Ltd., an NBFC providing Hire Purchase Solutions for acquiring consumer durables. The following information is extracted from its books for the year ended 31st March, 2021:

Particulars	Interest Overdue but recognized in Profit & loss		Net Book Value of Assets outstanding (₹ in crore)
	Period Overdue	Interest Amount (₹ in crore)	
LCD Televisions	Upto 12 months	480.00	20,123.00
Washing Machines	For 24 months	102.00	2,410.00
Refrigerators	For 30 months	50.50	1,280.00
Air Conditioners	For 45 months	26.75	647.00

The amount of provision to be made for the year ended 31st March, 2021, is:

- (A) None of these
(B) ₹3,217
(C) ₹1,205.90
(D) ₹1,400
58. DARYAGANJ Co-operative society Ltd has borrowed a sum of US \$12.50 million at the commencement of the financial year 2020-2021 for its solar energy project at LIBOR (London Interbank offered rate of 1%) + 4%. The interest is payable at the end of the respective financial year. The loan was availed at the then rate of ₹45 to US dollar while the rate as on 31st March, 2021 is ₹48 to the US dollar had DARYAGANJ Co-operative Society Ltd. borrowed the Rupee equivalent in India, the interest would have been 11%. 'Borrowing Cost' and exchange difference will be:

- (A) ₹61,87,500, ₹5,62,500
(B) ₹37,50,000, ₹5,62,500
(C) ₹67,50,000, ₹5,62,500 ss
(D) None of these

59. M/s. TUSHAR Ltd. is developing a new production process. During the Financial Year ended 31st March, 2016, the total expenditure incurred on the process was ₹60 lacs. The production process met the criteria for recognition as an intangible asset on 1st December, 2019. Expenditure incurred till this date was ₹32 lacs. Further expenditure incurred on the process for the Financial Year ending 31st March, 2021 was ₹90 lacs. As on 31.03.2021, the recoverable amount of know-how embodied in the process is estimated to be ₹82 lacs. This includes estimates of future cash outflows and inflows. The expenditure to be charged to Profit & Loss Account for the year ended 31st March, 2021 is: In case of Electricity Company, balance of Security Deposit a/c at the end of the accounting period should be disclosed as a _____ in the Balance Sheet.

- (A) ₹82
(B) ₹118
(C) ₹36
(D) None of these
60. On 01.04.2018 MB Ltd. acquired 80% shares of MC Ltd. at ₹20,00,000 when the fair value of the identifiable net assets was ₹20,00,000. During 2018 - 19, MC Ltd. Reported Net income of ₹2,40,000. On that date MB Ltd. sold 20% of its holding to an outsider at ₹5,60,000. The amount of gain to be credited to other equity by MB for sale of partial holding retaining control is

- (A) ₹1,12,000
(B) ₹1,60,000
(C) ₹1,21,000
(D) None of these



61. During 2017-18, Mindblogger Ltd. incurred costs to develop and produce a mobile application computer software product, as follows:
- Completion of detailed program design ₹23,000
- Cost incurred for coding and testing to establish technological feasibility ₹20,000
- Other coding costs after establishing technological feasibility ₹39,000
- Other testing costs after establishing technological feasibility ₹31,000
- Cost of producing product masters for training purposes ₹30,000
- What amount should be capitalized as software cost?
- (A) ₹43,000
(B) ₹70,000
(C) ₹23,000
(D) ₹1,00,000
62. Vini Ltd. has an asset, which was purchased on 01.04.2016 at ₹1,000 lakhs and estimated salvage value was ₹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 ₹400 lakhs and the net selling price is ₹375 lakhs. Amount of impairment loss for 2017-2018 is
- (A) ₹420 lakhs
(B) ₹200 lakhs
(C) ₹240 lakhs
(D) ₹265 lakhs
63. XYZ Ltd. obtained Loan from a Bank for ₹240 lakhs on 30.04.2016. It was utilized for construction of a shed ₹120 lakhs, Purchase of Machinery ₹80 lakhs, Working Capital ₹40 lakhs. Construction of shed was completed in March, 2018. Machinery was installed on same date. Total interest charged by Bank for year ended 31.03.2018 was ₹36 lakhs. As per AS- 16, interest to be debited to Profit & Loss Account will be
- (A) ₹36 lakhs
(B) ₹18 lakhs
(C) ₹9 lakhs
(D) None of the above
64. As per Ind As breach of a long-term loan covenant will lead to classification of loan as a liability payable on demand and classification in the financial statement to be made accordingly as required in the book of borrower when
- (A) Such breach occurs after the ends of the financial year and there is no subsequent agreement between borrower and lender.
(B) Such breach occurs after the end of the financial year and before the issue of the financial statement.
(C) Such breach occurs before the end of the financial year and there is an agreement between lender and borrower after the end of the financial year and before the issue of financial statement to the effect that lender shall not demand payment.
(D) Such breach occurs after the end of the financial year and the lender has sent a demand after requesting immediate payment before the issue of the financial statement.
65. RAJASTHANI Co-operative Society Ltd. has borrowed a sum of US \$ 12.50 million at the commencement of the Financial year 2017-2018 for the solar energy project at LIBOR (London Inter-bank Offered Rate of 1%) + 4%. The interest is payable at the end of the respective financial year. The loan was availed at the then rate of ₹45 to US dollar while the rate as on 31st March, 2018 is ₹48 to the US dollar. Had RAJASTHANI Co-operative Society Ltd. borrowed the Rupee equivalent in India, the interest would have been 11%. 'Borrowing Cost' and exchange difference will be



Multiple Choice Questions

- (A) ₹61,87,500, ₹5,62,500
(B) ₹67,50,000, ₹5,62,500
(C) ₹37,50,000, ₹5,62,500
(D) None of the above
66. A firm values goodwill under 'Capitalization of profits' method. Its average profits for past 4 years has been determined at ₹72,000. Net assets and capital employed in the business is ₹4,80,000 and ₹5,00,000 respectively and its normal rate of return is 12%. Value of Goodwill based on capitalization of profit will be
(A) ₹1,60,000
(B) ₹1,32,000
(C) ₹1,20,000
(D) ₹1,00,000
67. Roshan Ltd agreed to absorb Richa Ltd. For this purpose Richa Ltd's 5000, 9% Preference shares are valued at ₹124.50 each and 65,000 Equity shares are valued at ₹32 each. If Roshan Ltd discharged purchase consideration by issuing its Equity shares of ₹10 each which is having intrinsic value of ₹46 each. No. of Equity shares issued by Roshan Ltd to Richa Ltd will be
(A) 45214
(B) 270250
(C) 58750
(D) 70000
68. Peeru Ltd acquired 80% Equity shares of Pimo Ltd on 1st April, 2016. On 31st March, 2017, goods worth ₹65,000 purchased from Peeru Ltd, were included in stock of Pimo Ltd. Peeru Ltd made a profit of 25% on cost. At the time of preparation of consolidated Balance Sheet the amount of unrealized profit on stock will be
(A) ₹1,62,500
(B) ₹21,667
(C) ₹13,000
(D) NIL
69. Nikku Ltd is a Non-banking finance company. It made a provision against the advances as on 31st March, 2017 of ₹248 Lakhs. Out of its advances, Sub-standard assets, Doubtful up to one year and one to three years were ₹910 Lakhs; ₹150 Lakhs and ₹210 Lakhs respectively. The amount of Doubtful Assets more than three years will be
(A) ₹1210 Lakhs
(B) ₹121 Lakhs
(C) ₹64 Lakhs
(D) NIL
70. In a company net assets available for share holders is ₹1450 Lakhs; Equity share capital 60 Lakhs shares of ₹10 each; An average dividend is ₹3.20 per equity share and normal rate of dividend for the company is 10%. The fair value of each share will be
(A) ₹32
(B) ₹24.17
(C) ₹27.81
(D) ₹28.09
71. Shiva Ltd has obtained an institutional loan of ₹60 Crores for machinery on 01.06.2016. The machinery installed on 1st February, 2017 with cost of ₹52 Crores and balance loan has been utilized for working capital. Interest on above loan is @ 11% per annum. As per Ind AS 23 the amount of interest to be capitalized for the year ended 31st March, 2017 will be
(A) ₹4.7667 Crores
(B) ₹3.8133 Crores
(C) ₹5.50 Crores
(D) ₹4.40 Crores



72. Chandra Ltd purchased machinery on 01.04.2013 for ₹35 Lakhs. Written down value of the machinery as on 31st March, 2017 is ₹18.27 Lakhs. The recoverable amount of the machinery is ₹12.45 Lakhs. Impairment loss as per Ind AS 36 will be

- (A) ₹16.73 Lakhs
- (B) ₹22.55 Lakhs
- (C) ₹5.82 Lakhs
- (D) ₹4.28 Lakhs

73. Kovid Ltd agreed to absorb Shiva Ltd. Shiva Ltd has been issued 120000 Equity Shares of ₹10 which having intrinsic value of ₹32 each. If intrinsic value of Kovid Ltd's equity share is ₹64 each, then how many equity shares should be issued by Kovid Ltd to Shiva Ltd to meet out the purchase consideration?

- (A) 240000
- (B) 120000
- (C) 18750
- (D) 60000

74. At time of absorption of B Ltd by A Ltd, 9% debenture-holders of ₹480,00,000 of ₹100 each in B Ltd are to be paid off at 10% premium by 8% debentures in A Ltd issued at a premium of 20%. How many debentures of ₹100 each are to be issued by A Ltd?

- (A) 480000
- (B) 440000
- (C) 528000
- (D) 400000

75. AB Ltd holds 20% share of CD Ltd at a cost of ₹10 Lakh as on 31.3.2018. The Reserves and Surplus of CD Ltd on that date was ₹25 Lakh. For the year ended 31.3.2018 CD Ltd made a profit of ₹2,00,000 and distributed ₹1,00,000 as Dividend The value of Investment of AB Ltd in CD Ltd as at 31.3.2018 will be shown as

- (A) ₹10 lakhs
- (B) ₹15.40 lakhs
- (C) ₹15.20 lakhs
- (D) ₹15.60 lakhs

76. On the year ended 31st March, 2017, 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 two year	220

The amount of provision which must be made against the advances will be:-

- (A) ₹254.70 Lakhs
- (B) ₹159 Lakhs
- (C) ₹163 Lakhs
- (D) ₹181 Lakhs

77. The following data apply to 'X' Ltd's defined benefit pension plan for the year ended 31.03.18:

Benefits paid	1050
Employer contribution	750
Fair market value of plan assets on 31-3-2018	200
Fair market value of plan assets as on 31-3-2017	220

- (A) ₹2,80,000
- (B) ₹2,60,000
- (C) ₹2,00,000
- (D) ₹4,60,000

78. ABC Ltd has equity capital of ₹40,00,000 consisting of fully paid equity shares of ₹10 each. The net profit for the year 2017-18 was ₹60,00,000. It has also issued 36,000, 10% convertible debentures of ₹50 each. Each debenture is convertible into five



equity shares. The tax rate applicable is 30%. The diluted earnings of 2017-18 are

- (A) ₹61,80,000
- (B) ₹61,26,000
- (C) ₹60,00,000
- (D) ₹62,34,000

79. Which of following is/are examples of cash flows arising from investing activities?

- (A) Cash payments to acquire equity or debt instruments of other entities & interests in joint ventures (other than payments for those instruments considered to be cash equivalents or those held for dealing or trading purposes).
- (B) Cash payments for futures contracts, forward contracts, option contracts and swap contracts except when the contracts are held for dealing or trading purposes, or the payments are classified as financing activities.
- (C) Interest and dividends received (other than for a non-financial institution).
- (D) All of the above.

80. Which of the following statement is not a true statement regarding foreign currency cash flows under Ind AS - 7?

- (A) Cash flows arising from transactions in a foreign currency shall be recorded in an entity's functional currency by applying to the foreign currency amount the exchange rate between the functional currency and the foreign currency at the date of the cash flow.
- (B) The cash flows of a foreign subsidiary shall be translated at the exchange rates between functional currency & foreign currency at the dates of cash flows.
- (C) Unrealised gains and losses arising from changes in foreign currency exchange rates are cash flows.
- (D) None of the above.

81. At the time of absorption of B Ltd by A Ltd, trade receivables of both companies shown in their Balance Sheets were ₹30 Lakhs and ₹16 Lakhs. On that date trade payable of B Ltd includes payable to A Ltd ₹5 Lakhs. After absorption, the amount of trade receivables will be shown in A Ltd's Balance Sheet as

- (A) ₹41 Lakh
- (B) ₹25 Lakh
- (C) ₹11 Lakh
- (D) ₹35 Lakh

82. On 1st April 2017, H Ltd acquired 16000 shares out of 20000 equity shares of ₹10 each of S Ltd at ₹6,00,000. On that date balance of General reserve, Capital Reserve and Preliminary Expenses in S Ltd were ₹2,42,000, ₹3,20,000 and ₹70,000 respectively. The amount of cost of control will be

- (A) ₹40,000 (Goodwill)
- (B) ₹40,000 (Capital Reserve)
- (C) ₹46,400 (Goodwill)
- (D) ₹46,400 (Capital Reserve)

83. P Ltd purchases 80% shares out of 80000 Equity shares of ₹10 each in Chandu Ltd at ₹10,00,000. On that date the balance of Capital reserve, Securities Premium, General Reserve and Discount on issue of Debentures were ₹80,000, ₹1,20,000, ₹2,15,000 and ₹40,000 respectively. The amount of non-controlling interest will be

- (A) ₹2,35,000
- (B) ₹2,15,000
- (C) ₹3,35,000
- (D) ₹3,15,000



84. V Ltd acquired 2,000 equity shares of D Ltd on April, 01, 2016 for a price of ₹2,00,000. D Ltd made a net profit of ₹80,000 during the year 2016-17. The Share Capital of D Ltd is ₹2,50,000 consisting of shares of ₹100 each. If the share of V Ltd in the pre-acquisition profit of D Ltd is ₹56,000, the amount of Goodwill/Capital Reserve to be shown in the Consolidated Balance Sheet as on March 31, 2013 is —
- (A) ₹44,000 (Capital Reserve)
(B) ₹56,000 (Capital Reserve)
(C) ₹44,000 (Goodwill)
(D) ₹56,000 (Goodwill)
85. Three pillars of sustainability are?
- (A) People
(B) Planet
(C) Profit
(D) All of these
86. What is purchased goodwill?
- (A) When payment is made in excess of net asset purchased
(B) When less payment is made of net asset purchased
(C) Both of the above
(D) None of these
87. What is PE ratio?
- (A) MPS/EPS
(B) EPS/MPS
(C) MPS/Profit
(D) EPS/Net Profit
88. What is super profit?
- (A) Capital employed – Average capital employed
(B) Normal profit
(C) Actual profit – Normal profit
(D) Capitalized value of profit – Intangible Assets
89. What are the types of share based payment transaction?
- (A) Equity settled share based payment transaction
(B) Cash settled share based payment transaction
(C) Share based payment transaction with cash alternatives
(D) All of these
90. Where does “Employee Stock Option Outstanding” appear?
- (A) Profit and loss A/C
(B) Balance sheet as a negative item as a part of net worth
(C) Balance sheet as a part of net worth
(D) Profit and loss appropriation A/C
91. Which institution is not under XBRL?
- (A) RBI
(B) SEBI
(C) IRDAI
(D) None of these
92. Who are the users of XBRL?
- (A) Companies
(B) Investors
(C) Non-Profit Organizations
(D) All of these
93. M. Chandra Ltd has provided the following information:
Depreciation as per accounting records ₹12,00,000, Depreciation as per income tax records ₹30,00,000. Unamortized preliminary expenses as per income tax records ₹1,80,000, Tax rate 40%. There is adequate evidence of future profit sufficiency. As per Ind AS 12 Deferred Tax Asset/ Liability to be recognized will be
- (A) ₹7,20,000 (DTA)
(B) ₹6,48,000 (DTL)

(C) ₹72,000 (Net DTL)

(D) None of these

94. PRAKASH Ltd declares the following information:

Exchange Rate (₹/US\$)

Purchased goods on 12.3.2016 of US \$ 1,00,000 60.60

Exchange rate as on 31.3.2016 61.00

Date of actual payment is 12.4.2016 61.50

What will be the gain/loss to be booked in the financial year 2013-14?

(A) ₹90,000 (loss)

(B) ₹40,000 (loss)

(C) ₹50,000 (loss)

(D) ₹1,30,000 (loss)

95. ANKITA Ltd has three segments with their assets inclusive of Deferred Tax Assets as shown below:

Segment	Total Assets (₹ in lakhs)	Deferred Tax Assets (₹ in lakhs)
M	20	10
N	60	8
P	120	6

Reportable segments as per Ind AS 108 are

(A) M, N and P

(B) M and N only

(C) M and P only

(D) P and N only

96. A&B Ltd obtained a Loan from a bank for ₹240 lakhs on 30.04.2014. It was utilized for: Construction of a shed ₹120 lakhs, Purchase of a machinery ₹80 lakhs, Working Capital ₹40 lakhs, Construction of shed was completed in March 2016. The machinery was installed on the same date. Delivery truck was not received Total interest charged by the bank for the year

ended 31.03.2016 was ₹36 lakhs. As per Ind AS 16, Interest to be debited to Profit & Loss Account will be:

(A) ₹36 lakhs

(B) ₹18 lakhs

(C) ₹9 lakhs

(D) None of these

97. MR Ltd acquire 40% of TS Ltd's shares on April 2, 2015, the price paid was ₹1,40,000. TS Ltd's Shareholder equity shares are as follows:

Particulars	₹
Equity shares (Paid up)	50,000
Share Premium	1,50,00
Retained Earning	50,000
	2,50,000

Further TS Ltd reported a net income of ₹30,000 and paid dividends of ₹10,000. MR Ltd has subsidiary on 31-03-2016. Calculate the amount at which the investment in TS Ltd should be shown in the consolidated Balance Sheet of MR Ltd as on 31.03.2016.

(A) ₹1,08,000

(B) ₹40,000

(C) ₹1,48,000

(D) ₹1,40,000

98. A Ltd. acquires B Ltd. by purchasing 70% of its equity for ₹17.5 lakh in cash. The fair value of non – controlling interest in 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



99. 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

100. Ind As 109 deals with _____.

- (A) Recognition & measurement of financial instruments and hedge accounting
- (B) Presentation of financial instruments
- (C) Disclosure of financial instruments
- (D) None of the above

101. IND AS is applicable to NBFCs on & from _____.

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

102. TULSIAN Ltd has initiated a lease for 3 years in respect of a machinery costing ₹6,00,000 with expected useful life of 5 years. Machinery would revert to TULSIAN Ltd under the lease agreement. Unguaranteed residual value of machinery after expiry of the lease term is estimated at ₹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 ₹1 @ 8% for 3 years is 0.9259, 0.8573, 0.7938 respectively). The unearned finance income is

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

103. Ind AS 16 does not apply to which of the following?

- (A) PPE classified as held for sale as per Ind AS 105
- (B) Biological assets (other than bearer plants) related to agricultural activity
- (C) Assets in exploration for and evaluation of Mineral Resources
- (D) All of the above

104. 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

105. 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

106. 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



Multiple Choice Questions

- (C) Measures and evaluates the performance of substantially all of its investments on a fair value basis
- (D) All of the above
- 107. Which of the following is not a general principal of Government Accounting?**
- (A) Reporting of Utilisation of Public Funds
- (B) Expenditures classified under Sectors, major heads, minor heads, sub-heads and detailed heads of Accounts
- (C) Budget Based
- (D) Single Entry System
- 108. As per Ind AS 103, accounting & reporting for business combination is done under _____.**
- (A) Acquisition Method
- (B) Purchase method
- (C) Pooling of interest method
- (D) None of the above
- 109. International Integrated Reporting Council (IIRC) launched IR as a global framework in _____.**
- (A) November 2013
- (B) December 2012
- (C) November 2012
- (D) December 2013
- 110. 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)
- 111. A Company showed net profit of ₹7,20,000 for the 3rd quarter of the year 2018 – 19 after incorporating the following:**
- (a) Bad Debts of ₹40,000 incurred during the quarter. 50% of the Bad Debts have been deferred to the next quarter.
- (b) 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
- 112. In 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 & merging companies are complimentary to each other.
- (D) In two countries and one of them use the product of the others as raw materials.
- 113. 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**
- (A) ₹18.7 lakhs
- (B) ₹13.2 lakhs
- (C) ₹5.5 lakhs
- (D) None of the above



114. 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 fair value.

- (A) ₹360 Lakhs
- (B) ₹700 Lakhs
- (C) ₹280 Lakhs
- (D) None of the above

115. Utkarsh Ltd. declares the following:

Particulars	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

116. 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

117. 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. During 2020-2021, company incurred ₹7,00,000 & ₹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

118. A parent company in a group of companies shall prepare consolidated financial statements as per Ind AS _____, and further it shall prepare separate financial statements as per Ind AS _____.

- (A) 110, 27;
- (B) 115, 27;
- (C) 2, 27;
- (D) None of the above

119. The following data apply to a company's defined benefit pension plan for the year:

Particulars	Amount (₹)
Fair market value of plan assets (beginning of year)	4,00,000
Fair market value of plan assets	5,70,000
Employer Contribution	1,40,000
Benefit Paid	1,00,000

Calculate the actual return on plan assets.

- (A) ₹5,70,000
- (B) ₹1,30,000
- (C) ₹4,00,000
- (D) ₹1,70,000



Multiple Choice Questions

120. Application of acquisition method as per Ind AS 103 requires which of the following?
- (A) Identifying the acquirer;
 - (B) Determining the acquisition date;
 - (C) Recognising and measuring goodwill or a gain from a bargain purchase;
 - (D) All of the above
121. FF Ltd. has three segments namely M, N and O. The total assets of the company are ₹10.00 Cr. Segment M has ₹4.00 Cr. Segment N has ₹6.00 Cr. & Segment O has ₹10.00 Cr. Deferred tax assets included in assets of each segments are M – ₹1.00 Cr. N – ₹0.80Cr. O – ₹0.60Cr. Which of the following is/are reportable segment/s?
- (A) M & N
 - (B) N
 - (C) M & O
 - (D) M, N & O
122. An entity sold machinery (Book Value ₹2,00,000) for ₹1,44,000. The loss of ₹56,000 debited to the Profit & Loss Account. ₹1,44,000 will be classified as Cash flow from _____.
- (A) Investing Activity
 - (B) Operating Activity
 - (C) Financing Activity
 - (D) None of the above
123. Which of following is/are not an objective of Government Accounting?.
- (A) To record financial transactions of revenues and expenditure relating to the Government organizations
 - (B) To record the expenditures as per the appropriate Act, Rules, and legal provisions as set by the Government.
 - (C) To accommodate the excess expenditures beyond the limit of the budget approved by the Government
 - (D) To help in the preparation of various financial statements and reports.
124. In case of exemption from consolidation or use of equity method, an entity shall disclose _____.
- (A) That the financial statements are separate financial statements
 - (B) A list with details of investments in subsidiaries, joint ventures and associates.
 - (C) Both A and B
 - (D) None of the above
125. Ind AS 32 provides rules for classification of a financial instrument into _____.
- (A) Financial asset
 - (B) Financial liability
 - (C) Equity instrument
 - (D) All of the above
126. Which of the activities may be included by the company in their CSR Policy as per Schedule VII of the Companies Act, 2013?
- (A) Eradicating extreme hunger and poverty
 - (B) Promotion of education
 - (C) Employment enhancing vocational skills
 - (D) All of the above
127. A building owned by company and leased out under an operating lease. Which Ind AS/s is/are applicable?
- (A) Ind AS 2.
 - (B) Ind AS 16 and Ind AS 116
 - (C) Ind AS 40 and Ind AS 116
 - (D) None of the above.



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

Segment	Operating Profit / (loss) ₹ in Lakhs
P	3
Q	(3)
R	20
X	(9)
Y	(20)

Reportable segments as per Ind AS 108 are

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

129. By purchase of shares purchaser company entailing voting power of 20% or more, the investor company may have significant influence over the investee company, the investee is called _____.

- (A) Joint Venture
- (B) Associate
- (C) Subsidiary
- (D) None of the above

130. _____ is considered the best-known framework for voluntary reporting of environmental and social performance by business and other organizations worldwide.

- (A) Global Reporting Initiative (GRI)
- (B) Triple Bottom Line Reporting
- (C) Corporate Social Responsibility Reporting
- (D) None of the above.

131. Which of the following is/are the user/s of TBL Reporting?

- (A) Businesses
- (B) Non-profit Organisations
- (C) Banks
- (D) Both A and B

132. _____ are the rights that entitle the employees to receive cash or shares for an amount equivalent to the excess of market price on exercise date over a stated price.

- (A) Employee Stock Option Plan (ESOP)
- (B) Employee Stock Purchase Plan (ESPP)
- (C) Stock Appreciation Rights (SAR)
- (D) None of the above

133. Grants-in-aid covered under IGAS _____.

- (A) 2
- (B) 3
- (C) 1
- (D) None of the above

134. J Ltd. obtained contract for a construction of a building for ₹95 Lakhs. As on 31st March, 2021, it incurred a cost of ₹22 Lakhs and expected that there will be ₹58 Lakhs more needed for completing the building. It has received ₹18 Lakhs as progress payment. Degree of completion will be

- (A) 23.16%
- (B) 27.5%
- (C) 22.5%
- (D) 84.21%

135. Vertical merger means

- (A) Merger between firms which are complementary to each other.
- (B) Merger within same industries and taking place at the same level of economic activity.



Multiple Choice Questions

- (C) Merger between business competitors who are manufacturers or distributors of the same type of products.
- (D) Coming together of two or more companies engaged in different industries or services.
- 136. RR Ltd. acquires 100% of MM Ltd. for ₹2,40,000. Fair Value (FV) of MM's net assets at time of acquisition amounts ₹2,00,000. Goodwill is _____.**
- (A) ₹2,00,000
(B) ₹2,40,000
(C) ₹40,000
(D) ₹80,000
- 137. Who of the following is/ are not a part of GASAB?**
- (A) Commissioner of Police
(B) Secretary, Department of Post
(C) Member (Finance) Telecom Commission, Department of Telecom
(D) None of the above.
- 138. What are the three forms of sustainability that are considered for sustainability reporting?**
- (A) Social sustainability
(B) Physical sustainability
(C) Economic sustainability
(D) Both A. and C.
- 139. A Ltd. undertook to pay a contract for a building for ₹80 lacs. Till date cost incurred ₹12 lacs and expects ₹48 lacs more for completing the building. What is the percentage of completion?**
- (A) 15%
(B) 30%
(C) 20%
(D) 25%
- 140. As per Ind AS 38 intangible asset is an _____ without physical substance.**
- (A) Non-identifiable asset
(B) Monetary asset
(C) Identifiable Monetary asset
(D) Identifiable Non-monetary asset
- 141. As per Ind AS 103, a business combination is a transaction or other event in which an acquirer _____.**
- (A) Obtains control of one or more business
(B) Does not obtain control of any business
(C) Completely acquires the business without legal mergers
(D) Partly acquires the business
- 142. Which of the following is true as per Ind AS 111?**
- (A) In a joint arrangement the parties are bound by a contractual arrangement.
(B) In a joint arrangement the parties enjoy joint control of the arrangement.
(C) A joint arrangement is either a joint operation or a joint property.
(D) 'In a joint arrangement the parties are bound by a contractual arrangement' and 'In a joint arrangement the parties enjoy joint control of the arrangement' both.
- 143. In traditional accounting, term 'bottom line' means _____.**
- (A) Operating Results
(B) Total Asset
(C) Total Liabilities
(D) Share Capital
- 144. The Public Accounts Committee is a Committee _____.**
- (A) Of Auditors
(B) Of selected Members of Parliament



- (C) Of Government Officials
- (D) Of the Chief Ministers

145. Carrying amount ₹600 lakhs. Net Selling Price ₹630 lakhs. Value in use ₹660 lakhs. What is the impairment loss?

- (A) ₹600
- (B) ₹660
- (C) ₹630
- (D) There is no impairment loss

146. As per Ind AS 1 a complete set of Financial Statement includes which of the following?

- (A) A balance Sheet at the end of the period
- (B) Statement of Fund Flow
- (C) Comparative information with the previous periods
- (D) All of the above except (B)

147. A Ltd. acquired a 70% interest in B Ltd. on January 1, 2018. A Ltd. paid ₹1800 Lakhs in cash for their interest in B Ltd. The fair value of B Ltd.'s assets is ₹4000 Lakhs, and the fair value of its liabilities is ₹2000 Lakhs. NCI is equal to _____.

- (A) ₹600 lakhs
- (B) ₹1,400 lakhs
- (C) ₹1,200 lakhs
- (D) ₹857.14 lakhs

148. An investor controls an investee if & only if the investor has the following:

- (A) Power over the investee
- (B) Exposure, or rights, to variable returns from its involvement with the investee
- (C) Ability to use its power over the investee to affect the amount of the investor's returns
- (D) All of the above

149. Bearer plant is a plant that

- (A) Is not used in the production or supply of agricultural produce;
- (B) Is not expected to bear produce for more than a period of twelve months;
- (C) Both A and B
- (D) None of the above

150. Which of following is/are type/types of conglomerate merger?

- (A) Product extension merger
- (B) Strategic extension merger
- (C) Pure conglomerate merger
- (D) Both A and C