THE INSTITUTE OF COST ACCOUNTANTS OF INDIA

CORPORATE FINANCIAL REPORTING (PAPER - 18)

MCQ BANK

SL NO	QUESTIONS	OPTION 1	OPTION 2	OPTION 3	OPTION 4
1	Ind AS 113 stands for _________________.	Fair Value Measurement	Consolidated Financial Statements	Share Based payments	Financial Instruments: Presentation
2	Share-based Payment is delt with by _________________.	101	102	113	108
3	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.	12	16	8	21
4	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
5	The major three approaches to valuation of shares are:	Income Approach	Net Assets Approach	Market Approach	All of the above
6	The major bases of asset valuation for a going concern:	Book Value	Net Replacement Value	Net Realisable Value	All of the above
7	The Income approach for Valuation of Shares includes the models/Techniques:	Discounted Cash Flow	Dividend Discount Model	Maintainable Profits Basis	All of the above
8	Some of the methods of Goodwill Valuation are ___________	Capitalisation method	Super profits method	Average Maintainable Profits method	All of the above
9	The ways of determining the value of goodwill using the capitalisation approach	Capitalisation of Average Profits	Capitalisation of Super Profits	Both 1 and 2	Capitalisation of Average Future maintainable profit
10	The of an item of property, plant and equipment shall be recognised as an asset if, and only if: (i) it is probable that associated with the item will flow to the entity; and (ii) the of the item can be measured reliably.	cost, future economic benefits, cost	future economic benefits, cost, future economic benefits	cost, cost, cost	future economic benefits, future economic benefits, future economic benefits

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11	Property Plant and Equipment (PPE) are initially recognized at ________________.	purchase price	fair value	cost	future economic benefits
12	Ind AS 113 establishes a fair value hierarchy that categorises into three levels of the inputs to valuation techniques for measuring fair value. The hierarchies are ________________.	inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.	inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.	inputs are unobservable inputs for the asset or liability.	All of the above
13	As per Ind AS 113 three widely used valuation techniques are ________________.	market approach , cost approach and income approach	market approach , cost approach and profit approach	customer approach , cost approach and profit approach	market approach , inventory approach and profit approach
14	Which of the following is/are objective/s of Ind AS 113?	To set up a framework for measurement of fair value	To specify requirements of disclosure of fair value measurement.	Both 1 and 2	None of these
15	Changes in Accounting Estimates result from--	new information	new developments	they are not corrections of errors	All of these
16	Mohini Ltd has 3 Segments namely X, Y, Z. The Total assets of the Company are Rs. 10,00 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
17	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
18	The term "Chief Operating Decision-Maker" (CODM) identifies a –	Function	Designation	Person	Title
19	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
20	An Opening Segment is a component of an Entity that engage in business activities from which it –	May earn Revenues	May incur Expenses	Either of the above	Both 1 and 2
21	Tax Depreciation is accelerated, i.e. Tax Depreciation is higher than Accounting Depreciation. The entity should recognize –	DTA	DTL	Both 1 and 2	None of these
22	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 -	Recognise DTA Rs.100	Recognise DTL Rs.100	Recognize DTA Rs.25	Recognize DTL Rs.25

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23	Borrowing Costs directly attributable to ______ of a Qualifying asset should be capitalized as part of the cost of that Asset.	Acquisition	Construction	Production	All of these
24	Hari Ltd has purchased a Ship during the year on deferred payments basis, payable over next 10 years. This ship is -	Qualifying asset as per Ind AS 23	Non Qualifying Asset as per Ind As 23	Qualifying Asset as per Ind AS 29	Non qualifying Asset as per Ind AS 29
25	_______________ are money held and assets and liabilities to be received or paid in fixed or determinable amounts of money.	Non Money Items	Monetary Items	Financial Items	Current Items
26	The major three approaches to valuation of shares are:	Income Approach	Net Assets Approach	Market Approach	All of these
27	The ways of determining the value of goodwill using the capitalisation approach	Capitalisation of Average Profits	Capitalisation of Super Profits	Both 1 and 2	Capitalisation of Average Future maintainable profit
28	The major bases of asset valuation for a going concern:	Book Value	Net Replacement Value	Net Realisable Value	All of these
29	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	Rs.220 Lakhs	Rs.475 Lakhs	Rs.6.84 Lakhs	Rs.26.40 Lakhs
30	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
31	The Indian Accounting Standards relevant for recognition, measurement and disclosure of financial instruments are	Financial instruments: Presentation (Ind AS 32)	Financial instruments: Disclosure (Ind AS 107)	Financial instruments: (Ind AS 109)	All of these
32	An___ is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities	Equity instrument	Puttable instrument	Financial instrument	None of the above
33	Ind As 109 deals with	Recognition and measurement of financial instruments and hedge accounting	Presentation of financial instruments	Disclosure of financial instruments	None of the above
34	Non-Performing Asset (NPA) in case of Lease Rental and Hire-Purchase Assets if	Overdue for 9 Months as on 31st March 2016	Overdue for 6 Months as on 31st March 2017	Overdue for 3 Months as on 31st March 2018 and Onwards	All of these
35	The term ‘Public Funds’ includes	Debentures	Funds raised directly or indirectly through public deposits	Bank Finance	All of these
36	IND AS is applicable to NBFCs on and from	1.4.2016	1.4.2017	1.4.2015	1.4.2018

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37	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 _____.	12%	15%	10%	1%
38	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.4,50,000		
39	Super Profit = Average Future Maintainable Profit – ____________________	Normal Profit	Estimaded Profit	Future Maintainable Profit	Average Capital Employed
40	The major bases of asset valuation for a going concern _________________	Book Value	Net Replacement Value	Net Realisable Value	All of these
41	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.	Rs.40 Lakhs	Rs.2 Lakhs	Rs. 42 Lakhs	None of these
42	The Indian Accounting Standards relevant for recognition, measurement and disclosure of financial instruments are ______________	Financial instruments: Presentation (Ind AS 32)	Financial instruments: Disclosure (Ind AS 107)	Financial instruments: (Ind AS 109)	All of these
43	Financial assets are ___________	cash	an equity instrument of another entity	a contractual right	All of these
44	Ind AS 109: Financial Instruments classifies the financial assets and financial liabilities into the following categories for recognition and measurement _____________	Measured at fair value thought OCI	Measured at amortized cost	Measured at fair value through P & L	All of these
45	Ind As 109 deals with _____________	recognition and measurement of financial instruments and hedge accounting	presentation of financial instruments	disclosure of financial instruments	None of these
46	An _______________ is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.	equity instrument	puttable instrument	financial instrument	None of these
47	Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an _____________.	fair transaction	influenced transaction	arm's length transaction	All of these

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SL NO	QUESTIONS	OPTION 1	OPTION 2	OPTION 3	OPTION 4
48	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
49	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
50	On 1 January 2023 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
51	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
52	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	Rs. 350 Lakhs
53	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.	Rs.2,00,000	Rs.15,00,000	Rs.6,00,000	None of these
54	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
55	On 01.04.2020 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 TCI 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

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56	On 01.04.2020 Gold Ltd. acquired 75% share of Coal Ltd. at Rs.10,80,000, when the fair value of its net assets was 1000000. During 01.4.2022 to 31.3.2023 Coal Ltd made TCI 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
57	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	Rs.12.10 Lakhs	None of these
58	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.	Rs.3,000	Rs.10,000	Rs.7,000	Rs.45,000
59	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.	Rs.640 Lakhs	Rs.760 Lakhs	Rs.128 Lakhs	Rs.480
60	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.	Rs.8 Lakhs	Rs.160 Lakhs	Rs.190 Lakhs	Rs.32 Lakhs
61	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.	Rs.12,80,000	Rs.3,20,000	Rs.2,56,000	Rs.10,24,000

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62	The pooling of interest method is considered to involve which the following?	The assets and liabilities of the combining entities are reflected at their carrying amounts	The assets and liabilities of the combining entities are reflected at their Net realisable value	No adjustments are made to reflect fair values, or recognize any new assets or liabilities	Both 1 and 3
63	How is non-controlling interest shown in the financial statements of the acquirer at the time of a business combination under Ind AS 103?	It is shown as a liability	It is shown as an item under equity	It is not shown in balance sheet	Non-controlling interest is not recognised.
64	As per Ind AS 103, accounting and reporting for business combination is done under ______________.	Acquisition Method	Purchase method	Pooling of interest method	None of these
65	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.	acquirer	acquiree	both 1 and 2	either 1 or 2
66	Ind AS 103 has a wider scope than	AS 15	AS 14	AS 16	AS 13
67	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?	It is recognised at fair value only	It is recognised at proportionate fair value of identified net assets only	It is not recognised at all	It is recognised either at fair value or at proportionate fair value of identified net assets.
68	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 AS 28)	entailing control over investee company (called subsidiary company as per Ind AS 110)	All of these
69	__________________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 ____________.	Ind AS 27	Ind AS 28	Ind AS 110	Ind AS 112

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70	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 these
71	Ind AS 103 states that the acquirer obtaining control over acquiree, recognises and measures in its consolidated financial statements at the acquisition date _________________	the identifiable assets acquired, the liabilities assumed at Fair Value	any non-controlling interest in the acquiree at Fair Value or at Proportionate Value	the goodwill acquired in the business combination or a gain on bargain purchase	All of these
72	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 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 these
73	__________________- 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	Joint Control	Joint Arrangement	Joint Operation	None of these
74	A joint arrangement is either a _______________ or a joint venture	joint operation	joint control	joint partnership	None of these
75	________________ 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 investees net assets.	equity method	pooling interest method	purchase method	None of these
76	Which of the following is not a type of joint arrangement recognised under Ind AS 111?	Joint Venture	Joint Operation	Joint Control Entity	Joint Contribution Entity
77	How is the investor's share of profit or loss from a joint venture recognised?	As a revenue	As a liabilities	As an expense	As a part of equity
78	An ______________ is an entity over which the investor has significant influence.	Associate	Joint Venture	Partnership	All of these

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79	The three pillars of sustainability are often referred to as	Planet – People – Profit	People – Planet – Profit	People – Profit – Planet	People – Plant – Profit
80	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	CRA-2	CRA-3	CRA-4	CRA-1
81	External benefits of sustainability reporting can include	Mitigating – or reversing – negative environmental, social and governance impacts	Improving reputation and brand loyalty	Enhanced perception on organisation's value	All of the above
82	In 4P Bottom Line Reporting _____________ bottom line relate business with happiness of stakeholders	first	second	third	forth
83	The key challenges for implementation of QBL reporting framework are__________________	Awareness of relevant issues associated with QBL reporting	Understanding stakeholder requirements	Aligning QBL reporting with objectives and risks	All of these
84	External benefits of sustainability reporting can include _______________.	Enhanced link between financial and non-financial performance	Improving reputation and brand loyalty	Enhanced perception on organisation's value	Both 2 and 3
85	Which of the following is / are benefit/s of XBRL Reporting?	Automated Data Processing	Improved reporting quality	Cost and time savings	All of these
86	XBRL stands for	eXtended Business Reporting Language	eXtensible Business Reporting Language	eXtensible Business Reporting Laws	eXtended Business Reported Language
87	EVA = ________________ - (WACC × Invested Capital)	NOPAT	PAT	EBIT	None of these
88	_____________________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.	Environmental, Social and Governance	Corporate Social Responsibility	Human Resources	Integrated
89	Corporate sustainability reporting helps companies to __________________.	assess and manage their sustainability impacts	report their contributions to sustainable development	integrate sustainability into their business strategies	All of these
90	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

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91	GASAB stands for _________.	Government Accounting Standards Advisory Board	Government Accounting Standards Applicability Board	Government Auditing Standards Advisory Board	Government Accounting for States Advisory Board
92	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
93	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
94	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
95	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
96	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
97	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
98	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)

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99	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

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ANSWERS TO MCQ BANK

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17	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%
18	The term "Chief Operating Decision-Maker" (CODM) identifies a –	Function
19	An Operating Segment is a component of an Entity that engages in business activities from which it –	May earn Revenues and incur Expenses
20	An Opening Segment is a component of an Entity that engage in business activities from which it –	Both 1 and 2
21	Tax Depreciation is accelerated, i.e. Tax Depreciation is higher than Accounting Depreciation. The entity should recognize –	DTL
22	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 -	Recognize DTA Rs.25

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27	The ways of determining the value of goodwill using the capitalisation approach	Both 1 and 2
28	The major bases of asset valuation for a going concern:	All of these
29	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	Rs. 220 Lakhs
30	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
31	The Indian Accounting Standards relevant for recognition, measurement and disclosure of financial instruments are	All of these
32	An___ is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities	Equity instrument
33	Ind As 109 deals with	Recognition and measurement of financial instruments and hedge accounting
34	Non-Performing Asset (NPA) in case of Lease Rental and Hire-Purchase Assets if	All of these
35	The term ‘Public Funds’ includes	All of these
36	IND AS is applicable to NBFCs on and from	1.4.2018
37	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 _____.	10%
38	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
39	Super Profit = Average Future Maintainable Profit – ____________________	Normal Profit
40	The major bases of asset valuation for a going concern _________________	All of these
41	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.	Rs. 42 Lakhs
42	The Indian Accounting Standards relevant for recognition, measurement and disclosure of financial instruments are ______________	All of these
43	Financial assets are ___________	All of these

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SL NO	QUESTIONS	CORRECT ANSWER
44	Ind AS 109: Financial Instruments classifies the financial assets and financial liabilities into the following categories for recognition and measurement _____________	All of these
45	Ind As 109 deals with _____________	recognition and measurement of financial instruments and hedge accounting
46	An _______________ is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.	equity instrument
47	Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an _____________.	arm's length transaction
48	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.5,60,000
49	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.2,80,000
50	On 1 January 2023 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.85 Lakhs
51	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.80,000
52	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
53	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.	Rs.15,00,000
54	As per Ind AS 103, while accounting and reporting for business combination goodwill is calculated as _______________.	Consideration + Non controlling Interest – Net assets
55	On 01.04.2020 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 TCI 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
56	On 01.04.2020 Gold Ltd. acquired 75% share of Coal Ltd. at Rs.10,80,000, when the fair value of its net assets was 1000000. During 01.4.2022 to 31.3.2023 Coal Ltd made TCI 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

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SL NO	QUESTIONS	CORRECT ANSWER
57	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.12.10 Lakhs
58	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.	Rs.10,000
59	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.	Rs.128 Lakhs
60	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.	Rs.8 Lakhs
61	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.	Rs.3,20,000
62	The pooling of interest method is considered to involve which the following?	Both 1 and 3
63	How is non-controlling interest shown in the financial statements of the acquirer at the time of a business combination under Ind AS 103?	It is shown as an item under equity
64	As per Ind AS 103, accounting and reporting for business combination is done under ______________.	Acquisition Method
65	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.	acquirer
66	Ind AS 103 has a wider scope than	AS 14
67	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?	It is recognised either at fair value or at proportionate fair value of identified net assets.
68	Consolidated financial statements are required to be prepared by an Ind AS complied company if it holds shares in the investee company ____________.	All of these
69	__________________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 ____________.	Ind AS 27
70	An investment entity is an entity that ____________	All of these

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SL NO	QUESTIONS	CORRECT ANSWER
71	Ind AS 103 states that the acquirer obtaining control over acquiree, recognises and measures in its consolidated financial statements at the acquisition date _________________	All of these
72	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 ____________	All of these
73	__________________- 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	Joint Control
74	A joint arrangement is either a _______________ or a joint venture	joint operation
75	________________ 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 investees net assets.	equity method
76	Which of the following is not a type of joint arrangement recognised under Ind AS 111?	Joint Contribution Entity
77	How is the investor's share of profit or loss from a joint venture recognised?	As a part of equity
78	An ______________ is an entity over which the investor has significant influence.	Associate
79	The three pillars of sustainability are often referred to as	People – Planet – Profit
80	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	CRA-4
81	External benefits of sustainability reporting can include	All of the above
82	In 4P Bottom Line Reporting _____________ bottom line relate business with happiness of stakeholders	forth
83	The key challenges for implementation of QBL reporting framework are_________________	All of these
84	External benefits of sustainability reporting can include ______________.	Both 2 and 3
85	Which of the following is / are benefit/s of XBRL Reporting?	All of these
86	XBRL stands for	eXtensible Business Reporting Language
87	EVA = ________________ - (WACC × Invested Capital)	NOPAT
88	_____________________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.	Human Resources
89	Corporate sustainability reporting helps companies to _________________.	All of these
90	Which of the following is not a feature of Government Accounting?	Non-fund based Accounting
91	GASAB stands for _________.	Government Accounting Standards Advisory Board
92	IGAS 2 is related to ____	Accounting and Classification of Grants-in-aid
93	Which of the following is not a general principal of Government Accounting?	Single Entry System
94	Standards developed for accrual system of accounting in the Government are called the ____________________________	Indian Government Financial Reporting Standards

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SL NO	QUESTIONS	CORRECT ANSWER
95	Which of the following is/ are responsibility/responsibilities of GASAB?	All of the above
96	As per The Constitution of India, the Accounts of the Government are kept in	All of the above
97	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	All of the above
98	Consolidated Fund of India is the fund referred to in _____ of the Constitution of India	Article 266(1)
99	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	All of the above