MCOSC-2.1A/C

Sl. No.

II Semester M.Com. Degree Examination, May/June - 2026
COMMERCE
Accounting Theory and Analysis
(CBCS SLM Semester Scheme)
Course - IV

Time : 3 Hours **Maximum Marks : 80**

SECTION - A

Answer any Four questions. Each question carries 5 marks. **(4×5=20)**

1. Accounting is often regarded as the language of business. Elucidate.

2. Explain the Role of Comptroller and Audit General of India.

3. Explain the need and significance of forensic accounting in detecting and preventing financial fraud.

4. Explain the differences between computerized accounting and manual accounting with suitable examples.

5. From the following details compute according to Lev and Schwartz (1971) model, the value of human resources of skilled employees group

Annual average earnings of an employee till the retirement age	Rs. 1,00,000
Age of retirement	65 years
Discount rate	15%
No. of employees in the group	20
Average age	62 years

6. From the following information compute the monetary working capital adjustment under CCA method.

Particulars	**Jan 1, 2024**	**Dec 31,2024**
Account Receivable (Rs.)	20,000	36,000
Accounts Payable (Rs.)	11,000	18,400
Price Index for material	200	230
Price Index for finished goods	150	180

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SECTION - B

Answer any Three questions. Each question carries 10 marks. (3×10=30)

7. Discuss the methods for detecting and controlling creative accounting in financial reporting.

8. Explain any five mandatory accounting standards in India along with their provisions.

9. The following information has been extracted from the books of Reliable Ltd for the year ending 31st March 2024. Prepare social income statement as on that date

(Rs. in Crore)

Particulars	**Amount**
Environment improvement	36.18
Medical facility	9.00
Training Programme	18.45
Generation of job opportunities	109.35
Municipal taxes	19.26
Increase in cost of living in the vicinity due to thermal power station	29.79
Concessional transport water supply	20.25
Extra work put up in by staff and officers for drought relief	33.30
Leave encashment and leave travel benefit	93.60
Education facility for children of staff members	38.88
Subsidized canteen facilities	25.92
Generation of business	45.90
State taxes paid	33.75
Central taxes paid	35.22
Foreign exchange Saved	23.45
Foreign exchange spent	38.08
State service consumed	18.75
Central service consumed	12.25

10. X Ltd. is industry which is environmentally sensitive. To improve the performance, the board of X Ltd. has adopted GRI reporting framework provides the following comparative data for years 2023-24 and 2024-25. Compute the necessary ratios as per the reporting framework recommended by GRI.

Particulars	**2023-24**	**2024-25**
Turnover (Rs. in crore)	250	300
Energy used (Rs. in crore)	50	56
Quantity of material consumed (In tonnes)	450	480
Quantity of recycled material used (In tonnes)	90	92
Quantity of water used (In gallons)	3000	3500
Quantity of recycled water used (In gallons)	400	450
Hazardous waste generated (In tonnes)	25	40
Hazardous waste recycled (In tonnes)	10	12

11. Explain the provisions of accounting intangible assets as per accounting standards- 26.

SECTION - C

Answer any Two questions. Each question carries 15 marks. (2×15=30)

12. Explain the concept of Triple Bottom Line (TBL) reporting, highlighting the three P's, its benefits, and the challenges in implementation.

13. Discuss the various approaches used in the formulation of accounting theory with suitable examples

14. The Balance Sheet of AR Ltd., as on 1st April 2024 and Profit and Loss Statement for the year ended 31st March 2025 are given below:

Balance Sheet as on 1-4-2024

Liabilities	**Rs.**	**Assets**	**Rs.**
Share Capital	4,00,000	Plant and Machinery	3,00,000
13 % Debentures	1,00,000	Furniture and Fixtures	40,000
Current Liabilities	50,000	Inventory	60,000
		Debtors	50,000
		Cash	1,00,000
	5,50,000		**5,50,000**

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Profit and Loss Statement for the year ended 31st March 2025

Particulars	Amount Rs.	Amount Rs.
Sales		10,00,000
Less : Cost of Goods Sold		
Opening Inventory	60,000	
Purchases	7,10,000	
	7,70,000	
Less : Closing Inventory	70,000	7,00,000
		3,00,000
Gross Profit		
Less : Operating Expenses	1,51,000	
Interest on Debentures	13,000	
Depreciation on Machinery	45,000	
Depreciation on Furniture	4,000	2,13,000
Net Profit		87,000

Debtors and current liabilities balances remained constant throughout the year. Interest on Debentures was paid on 31-3-2025. The general price index was as follows:

On April 1, 2023	300
Average for the year	320
On March 31, 2024	360

Prepare adjusted Profit and Loss Statement and Balance sheet under Current Purchasing Power Method.

15. From the following information in respect of Exe Ltd. calculate the total value of human capital by following Lev and Schwartz model:

Distribution of employees of Exe Ltd.

Age	Unskilled		Semiskilled		Skilled	
	No	Avg. Annual Earnings	No	Avg. Annual Earnings	No	Avg. Annual Earnings
30-39	70	3	50	3.5	30	5
40-49	20	4	15	5	15	6
50-54	10	5	10	6	5	7

Apply 15% discount factor.