



**FINAL EXAMINATION**  
**MODEL QUESTION PAPER**  
**PAPER – 18**  
**CORPORATE FINANCIAL REPORTING**

**SET - 2**  
**TERM – DECEMBER 2025**  
**SYLLABUS 2022**

**Time Allowed: 3 Hours**

**Full Marks: 100**

The figures in the margin on the right side indicate full marks.

**SECTION – A (Compulsory)**

**1. Choose the correct option:**

**[15 × 2=30]**

- (i) A Company takes a Machinery on lease for a term of 6 years at a lease rent of ₹4,00,000 p.a. payable at end of each year with guaranteed and unguaranteed residual value of ₹3,00,000. The gross investment will be.
- A) ₹3,00,000  
B) ₹4,00,000  
C) ₹24,00,000  
D) ₹27,00,000
- (ii) Cummins Ltd acquired a machine for ₹65 Lakhs on 1st July, 2022. It has a life of 5 years with a salvage value of ₹7 Lakhs. As on 31st March, 2025, if present value of future cash flows is ₹28 Lakhs and net selling price is ₹25 Lakhs, impairment loss will be
- A) ₹5 Lakhs  
B) ₹5.10 Lakhs  
C) ₹7 Lakhs  
D) ₹2 Lakhs
- (iii) If total external Revenue reported by Operating Segments constitutes \_\_\_\_\_ of the Entity's Revenue, additional Operating Segments should be identified as Reportable Segments
- A) Less than 75%  
B) 75% or less  
C) Less than 90%  
D) 90% or less
- (iv) 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 \_\_\_\_\_.
- A) inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.  
B) inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.  
C) inputs are unobservable inputs for the asset or liability.  
D) All of the above
- (v) Capital Employed is ₹255 Lakhs; Annual average profits are ₹57 Lakhs; Normal rate of return is 12%. The value of goodwill on the basis of Capitalization of super profits will be
- A) ₹220 Lakhs  
B) ₹475 Lakhs  
C) ₹6.84 Lakhs  
D) ₹26.40 Lakhs



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- (vi) All NBFCs-ND which have an asset size of ₹500 crore and above and all NBFCs-D shall maintain minimum Tier 1 Capital of \_\_\_\_.
- A) 12%  
B) 15%  
C) 10%  
D) 1%
- (vii) On 01.04.2022 Gold Ltd. acquired 75% share of Coal Ltd. at Rs.10,80,000, when the fair value of its net assets was Rs.10,00,000. During 01.4.2024 to 31.3.2025 Coal Ltd. made TCI Rs. 2,00,000. On 31.3.2025 Gold Ltd. purchased 15% holding from outsiders at Rs.2,20,000. Compute NCI at Proportionate net asset value.
- A) ₹1,80,000  
B) ₹1,92,000  
C) ₹2,46,000  
D) ₹2,20,000
- (viii) A Ltd. Acquires 80% of B Ltd. For ₹10,00,000 paid by equity at par. Fair Value (FV) of B's net assets at time of acquisition amounts ₹9,00,000. The value of goodwill based on NCI valued at proportionate fair value of identified net asset will be:
- A) ₹3,00,000  
B) ₹2,80,000  
C) ₹4,50,000  
D) ₹5,00,000
- (ix) At what value is non-controlling interest recorded in the books of the Acquiree at the time of a business combination transaction under Ind AS 103?
- A) It is 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
- (x) Ind AS 103 states that the acquirer obtaining control over acquiree, recognises and measures in its consolidated financial statements at the acquisition date \_\_\_\_\_
- A) the identifiable assets acquired, the liabilities assumed at Fair Value  
B) any non-controlling interest in the acquiree at Fair Value or at Proportionate Value  
C) the goodwill acquired in the business combination or a gain on bargain purchase  
D) All of these
- (xi) \_\_\_\_\_ requires that when consolidated financial statements are prepared the investor company shall also prepare individual/standalone financial statements, which are named as separate financial statements.
- A) Ind AS 27  
B) Ind AS 28  
C) Ind AS 110  
D) Ind AS 112



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- (xii) Consolidated financial statements are required to be prepared by an Ind AS complied company if it holds shares in the investee company \_\_\_\_\_.
- A) entailing 20% or more voting rights having significant influence over the investee company (called Associate as per Ind AS 28)
- B) entailing joint control over the investee company (called a Joint Venture as per Ind AS 28)
- C) entailing control over investee company (called subsidiary company as per Ind AS 110)
- D) All of these
- (xiii) External benefits of sustainability reporting can include
- A) Mitigating – or reversing – negative environmental, social and governance impacts
- B) Improving reputation and brand loyalty
- C) Enhanced perception on organisation's value
- D) All of the above
- (xiv) A company required to furnish cost audit report and other documents to the Central Government under Section 148(6) of the Companies Act, 2013 and rules made thereunder, shall file such report and other documents using the XBRL taxonomy given in Annexure-III to the said Rule for the financial years on or after April 1, 2014 in e-Form \_\_\_\_\_ specified under the Companies (Cost Records and Audit) Rules, 2014.
- A) CRA -1
- B) CRA-2
- C) CRA-3
- D) CRA-4
- (xv) The Financial Statements of the Union Government shall disclose the following details under 'Loans and Advances made by the Union Government' in the Annual Finance Accounts of the Union Government \_\_\_\_\_.
- A) the summary of Loans and Advances showing loanee group-wise details
- B) the summary of Loans and Advances showing Sector-wise details
- C) the summary of repayments in arrears from Governments and other loanee entities
- D) All of the above Article 266(3)

**SECTION – B**

**Answer any 5 questions out of 7 questions given. Each question carries 14 marks.**

**[5 × 14 = 70]**

2. (a) A Ltd. Purchased an aircraft at a price of ₹ 6,300 crores that requires major inspection and overhauling every 4 years. The estimated life of the aircraft is 15 years. The aircraft was purchased in 2015 and major inspection and overhauling made in 2019 at a cost of ₹ 100 crores. In 2020 A Ltd. Further incurred repair and maintenance in the engine to raise its capacity by 10% amounting to ₹ 70 crores. One worn out component in the wing was replaced in 2020 at a cost of ₹ 80 crores. The carrying amount of the old component was ₹ 30 crores. Scrap realized ₹ 12 crores. Calculate the amount to be recognized as expense and as asset in 2019 and in 2020 and also show the carrying amount. The aircraft residual value is estimated at ₹ 300 crores. [7]



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- (b) A Ltd. has a machine whose original cost was ₹ 45,000. The accumulated depreciation on the machine is ₹ 15,000. Similar machine has recently been sold in the same locality at ₹ 25,000 with selling expenses ₹ 2,000. Management determined the entity specific present value of future cash flows of the machine a ₹ 28,000. Calculate -
- Fair value less cost to sell
  - Recoverable amount
  - Impairment loss
  - Carrying amount of the machine after impairment.
- [7]

3. (a) On 31.03.2023 A Ltd. enter into a contract with a customer for sale of goods of ₹ 4,000 granting 50% discount voucher to be availed in future purchase up to ₹ 3,000 within 30 days. Ordinarily 10% discount is allowed on sales. Ordinary discount will not be available to avail the 50% discount voucher. There is 60% probability that the customer will redeem the discount voucher and the estimated amount of purchase is ₹ 2,000 In April 2023 the discount vouchers are redeemed for purchase of additional goods of ₹ 2,800. Calculate revenue recognition in 2022-23 and in 2023-24. [7]

- (b) The following details relate to M/s XYZ, a firm:

Average profit of last four years	: ₹ 7,00,000
Average capital employed by the firm	: ₹ 55,00,000
Normal rate of return	: 10%
Present value of annuity of ₹ 1 for 4 years @ 10%	: 3.1699

Determine the value of goodwill on the basis of annuity of super profit. [7]

4. (a) While closing its books of accounts on 31<sup>st</sup> March, a NBFC has its advances classified as follows -

Particulars	₹ in Lakhs	Particulars	₹ in Lakhs
Standard Assets	8,400	Unsecured Portion of Doubtful Debts	87
Sub-Standard Assets	910	Loss Assets	24
Secured Portions of Doubtful Debts:			
- Up to one year	160		
- One year to three years	70		
- more than three years	20		

Calculate the amount of provision which must be made against the advances. [7]

- (b) On March 31, 2025, A Ltd and B Ltd. were amalgamated into C Ltd., control of the businesses lying with the same parties as before. C Ltd. issued 80,000 equity shares to A Ltd. and 75,000 equity shares to B Ltd. at the nominal value of ₹10 per share. The book value of A Ltd.'s net assets was ₹12,00,000, Equity Share Capital ₹ 5,00,000 and Other Equity ₹ 7,00,000 on March 31. The fair value of net



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assets of A Ltd. was assessed at ₹ 16,00,000. The book value of B Ltd.'s net assets was ₹ 10,00,000, Equity share capital ₹ 4,00,000 and Other Equity ₹ 6,00,000 on March 31. The fair value of net assets of B Ltd. was assessed at ₹ 15,00,000.

Show journal entries complying Ind AS.

[7]

5. On 01.04.2021 the summarised balance sheets of Satellite Ltd. and Planet Ltd. are provided as

(₹ 000)

	Satellite Ltd.		Planet Ltd.
	B/S (₹)	Fair Value (₹)	B/S (₹)
Equity Share Capital (₹ 10)	8,000		12,000
Other Equity	6,000		4,000
Borrowings	2,000	2,050	3,000
Trade Payables	2,500	2,400	2,000
Property, Plant and Equipment	9,000	10,000	12,000
Investment Property	5,000	7,000	1,000
Investments	1,000		3,500
Current Assets	3,500	3,200	4,500
Contingent Liabilities	800	750	

Market price of equity shares of Planet Ltd. and Satellite Ltd. are ₹ 16 and ₹ 15 respectively on the day. On the basis of the above data, you are required to make the necessary accounting for the following cases.

Planet Ltd. takes over Satellite Ltd. and purchase consideration is settled by issue of

1050000 equity shares. Pass journal entries in the books of both the companies and re-draft the balance sheet of Planet Ltd. after the business combination. [14]

6. D Co. Ltd acquired 60% shares of G Co. Ltd. on 1st October 2023. The Retained Earnings balance of G on 01.04.2023 was ₹ 5,000. G declared dividend for 2023-2024 ₹ 6,000 (accounted in books of G but not accounted in books of D).

The abstracts from balance sheets of D and G as at 31.03.2024 are: (Amount in ₹)

Particulars	D ₹	G ₹
PPE	60,000	30,000
Investments: Shares in G	24,000	
Current Assets	20,000	16,000
Total Assets	1,04,000	46,000
Equity Shares	50,000	25,000
Other Equity (Retained Earnings)	25,000	11,000
Current Liabilities	29,000	10,000



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Total of Equity and Liabilities	1,04,000	46,000
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Required: Prepare Separate and Consolidated Balance sheet as at 31.03.2024.

[14]

7. (a) The following are the balances in the account statements of X Ltd. for the year ended 31st March, 2024:

(₹ '000)

Particulars	(₹)
Turnover	4,600
Plant and machinery net Loss on sale of machinery	2,160 150
Depreciation on plant and machinery	400
Dividends to ordinary shareholders Debtors	292
Creditors	390
Total stock of all materials, WIP and finished goods:	254
Opening stock	
Closing stock	320
Raw materials purchased Cash at bank	400 1,250
Printing and stationery	196
Auditor's remuneration	44
Retained profits (opening balance) Retained profits for the year	56 1998
Rent, rates and taxes Other expenses	576 330
Ordinary share capital issued	170
Interest on/borrowings Income- tax for the year Wages and salaries Employees state insurance	3,000 80 552 654
P.F. contribution	70
	56

Prepare a Value Added Statement for the company for the year 2021-22.

[7]

(b) Explain XBRL and enumerate the benefits of XBRL?

[7]

8. (a) Discuss the objectives of Government Accounting.

[5]

(b) Explain the features of Government Accounting.

[5]

(c) Company P Ltd. (a listed company) acquires 20% shares (entitling 20% voting power and significant influence) in company Q Ltd. on 1.4.2023 at a cost of ₹ 46,000, paid by cash. During the financial year 2023-2024, Q made profits of ₹ 20,000 and other comprehensive income of ₹ 10,000.



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- I. Whether for the investment in shares of Q, P requires preparation of consolidated financial statements and separate financial statements?
- II. Pass the journal entries in books of P at the time of acquisition.
- III. Show the relevant accounting treatment at the end of the year in (i) consolidated and (ii) separate financial statements of P. [4]