

2017

COMMERCE

PAPER : MCO 301

ACCOUNTING THEORY AND PRACTICE

FULL MARKS:80

Time :3 hours

{ The figures in the margin indicate full marks for the question. }

1. Answer the following questions: 2 X 4 = 8
- What is Periodic Financial Report?
 - What is Ethical Approach of accounting theory construction?
 - What is Verification of Assets?
 - What is specific price level change?
2. *Answer the following questions:* 5 X 4 = 20
- Write a short note on Segment Report.
 - What are the various classifications of accounting theory?
 - Briefly explain Economic and Accounting Concept of income.
 - Briefly explain the limitation of conventional financial statement at the time of price level change?
3. Answer any two of the following questions: 10 X 2 = 20
- What do you mean by full disclosure of material information in a Financial Report? What are the information that has to be disclosed in a Financial Report? 3+7=10
 - Explain the inductive and deductive method of constructing Accounting Theory. 10
 - What is Accounting Standard? Explain the standard setting procedure of ASB. 4+6=10
 - Why valuation and verification of Asset and liability is important? Differentiate between valuation and verification of Asset and liability. 5+5=10
4. (A). What is Harmonization of Accounting and Reporting? Explain the major forces that lead to Harmonization of Accounting and Reporting. Briefly explain the contribution of IASB for international harmonization of accounting. 4+6+6=16
- Or
- (B). What is the main purpose of conceptual framework for accounting and reporting? Describe the elements of conceptual framework of accounting 4+6=10
- (C). What are the main objectives of accounting and reporting? 6

5(A). What are the causes of depreciation? Describe in detail the Diminishing Balance Method and Straight-line Method of Depreciation. 6+10=16

or

(B) Describe the criteria of Recognition of Revenue. 8

(c) Describe the provision of AS-3 for reporting of cash flow from operating, Investing, and Financing Activities. 8
