

TELANGANA UNIVERSITY
S.S.R. DEGREE COLLEGE, NIZAMABAD (C.C:5029)
VI SEMESTER INTERNAL ASSESSMENT II EXAMINATIONS
ACCOUNTING STANDARDS QUESTION BANK

I. Multiple choice questions.

1. Which of the following explains accounting treatment of PPE (Property, Plant and Equipment)? [b]
(a) AS-10 (b) AS-16 (c) AS-20 (d) AS-30
2. The government grants in the form of assets like land, plant, machinery etc., are known as [b]
(a) Monetary grants (b) Non-monetary government grants
(c) Both (a) and (b) (d) None of the above
3. Which of the following standard explains how borrowing cost must be treated in the accounting books? [c]
(a) AS-12 (b) AS-16 (c) AS-23 (d) AS-32
4. _____ refers to the interest and other costs incurred by an enterprise in borrowing the funds. [a]
(a) Borrowing costs (b) Investment costs (c) Buying costs (d) Cost of inventories
5. AS-20 is concerned with, [d]
(a) Accounting for Investment (b) Segment reporting
(c) Accounting for amalgamation (d) Accounting for government grants
6. Which of the following comes under disclosure requirements of primary segments? [d]
(a) Segment results (b) Segment liabilities
(c) Revenue from sale to external customers (d) All the above
7. _____ lease does not transfer all the rewards and risk from the lessor to the lessee. [c]
(a) Financial lease (b) Non-operating lease (c) Operating lease (d) Both (a) and (c)
8. The assets which cannot be identified separately from other assets are referred to as [b]
(a) Identifiable intangible assets (b) Unidentifiable intangible assets
(c) Internally generated identifiable intangible assets (d) None of the above
9. Lease rent fixed based on amount of usage, market rate of interest, percentage of sales and price is known as [a]
(a) Contingent rent (b) Gross rent (c) Discounted rent (d) Initial rent
10. AS-38 is applicable to which of the following intangible assets, [a]
(a) Goodwill (b) Startup costs (c) Computer software (d) All the above
11. Ind AS-28 deals with _____ [a]
(a) Investments in Associate and joint venture (b) Inventories
(c) Joint Arrangements (d) Business combination
12. The _____ method is used in accounting investments [b]
(a) Fair value (b) Equity (c) Both a & b (d) Sum value
13. The expenses of business combination includes _____ [d]
(a) Advisory and legal fee (b) Consultation fee
(c) Maintenance fee (d) All the above

14. In equity method, securities are recorded at _____ [b]
 (a) Original value (b) Nominal value (c) Fair value (d) Cost less value
15. The financial statements of a group of firms are called _____ [a]
 (a) Consolidated financial statements (b) Common size
 (c) Cash flow statements (d) None of the above
16. The parties interested in financial reporting are _____ [d]
 (a) Investors (b) Shareholders and Creditors
 (c) Government officials and customers (d) All the above
17. The managers provide _____ decisions to the shareholders of a company [c]
 (a) Operating (b) Financing (c) Both (a) and (b) (d) Investing
18. _____ approach deals with the problems related to benefits and cost. [c]
 (a) Classical (b) Decision usefulness (c) Economic information (d) Accounting
19. In _____ year, Financial Accounting State Board (FASB) issued the "Objectives of Financial reporting by Business Enterprises" [a]
 (a) 1978 (b) 1981 (c) 1977 (d) 1993
20. _____ written a report on 'Corporate Reporting: Its Future Evolution Known a 'Stamp report' [b]
 (a) Robert M. Trueblood (b) Edward stamp (c) Edward clink (d) Stuart kells

II. Fill in the blanks

1. Property, Plant and Equipment are generally known as Fixed assets
2. Disclosure of segment information is known as Segment Reporting
3. A business enterprise handle multiple products/services and carry out its operations in different geographical areas. Information about such multiple products/services and operations is known as Segment information
4. Government grants are of two types Monetary grants and non-monetary grants
5. AS-17 deals with Accounting for leases
6. 'Accounting for taxes on income' is covered in AS-12
7. AS-38 focuses on Intangible assets
8. Leases is an arrangement where by lessee is given a right to use an asset by the lessor for a specific period of time on rent.
9. For the purpose of accounting, lease is classified into two, Financial lease and operating lease
10. Inventories are measured in Cost and Net Realizable value form.
11. In Ind AS-28, the financial and operating policy decisions are controlled by investing company
12. Associate is an entity on which there would be significant influence of an investor, but there would not be any control or joint control by him on the entity.
13. Ind AS-103 prescribed the 'acquisition method' for accounting treatment of business combination.
14. Business combination refers to the merging or acquiring of two businesses, where an mergers or acquirer gain control over other business.
15. In business combination, assets and liabilities are measured at fair value
16. Financial reporting is a standardized process of reporting the financial statements related to the business activities of a company to the stakeholders.
17. ASOBAT stands for A statement of Basic Accounting Theory
18. Statement of Financial Accounting concept is issued by FASB as a replacement to FASB concepts statement No. 1 and No.2
19. True blood report was development under chairmen ship of Robert M. Trueblood

20. The Corporate Report of United Kingdom (UK) was first published in the year 1976, by Accounting standards committee (ASSC) of the Institute of Chartered Accounting in England and Wales (ICAEW).

III. Short Answers.

1. What is investment?
2. Define joint control?
3. What is joint venture?
4. What is financial reporting?
5. What are the five tiers of true blood report?
6. What is stamp report?
7. What is accounting standard-112?
8. What is impairment loss?
9. What is block chain system?