

2025



## COMMERCE

Course No. : COM314E

## (Innovations in Accounting)

Full Marks : 60

Time : 3 hours

*The questions are of equal value**The figures in the margin indicate full marks for the questions*Answer any **five** questions

1. a) "Owing to change in purchasing power of money, the balance sheet figures, if based on historical cost, will not give a true and fair view of the affairs of business." Comment. 6

b) From the following data calculate (a) cost of sales, and (b) closing inventory under Current Purchasing Power method presuming that the firm is following LIFO method for inventory valuation. 6

	₹	
Inventory as on 1 <sup>st</sup> January 2024	8,000	
Purchases during 2024	48,000	
Inventory as on 31 <sup>st</sup> December 2024	12,000	
Price Index as on 1 <sup>st</sup> January 2024	100	
Price Index as on 31 <sup>st</sup> December 2024	140	
Average Price Index for 2024	125	

*Or*

c) Discuss the basic features of Current Cost Accounting method. 4

d) Ascertain net monetary result as at 31<sup>st</sup> March, 2025 from the data given below:

8

	1 <sup>st</sup> April 2024	31 <sup>st</sup> March 2025
	₹	₹
Cash at Bank	15,000	21,000
Accounts receivable	45,000	54,000
Accounts payable	75,000	50,000

**General Price Index Number:**

1 <sup>st</sup> April 2024	100
31 <sup>st</sup> March 2025	125
Average for the year	120

2. a) Discuss the factors that prohibit an organisation from adopting Human Resource Accounting. What are the steps you may take to implement Human Resource Accounting practices in your organisation? Discuss briefly the Replacement Cost approach of valuing human resources.

4+3+5

*Or*

b) Do you think the Lev and Schwartz model of valuing human resources is an appropriate method for valuing human capital of a business? Justify your answer.

6

c) X Ltd. has been following the Lev & Schwartz model for valuing its human resources. The following details relate to one of its employee groups:

Average annual salary of the group: ₹6,00,000

Expected remaining working life of the group: 5 years

The discount rate applicable is 10% p.a.

You are required to calculate the present value of the future earnings of the employee group using the Lev & Schwartz model without using the Annuity Table.

6

3. a) Why it is important to analyse the social cost benefit of an industrial project? Discuss. Briefly highlight the provision of section 135 of the Companies Act, 2013 relating to CSR practices in India.

7+5

( 3 )

*Or*

b) How social accounting contributes in achieving the objectives of a business? Discuss. 5

c) From the following information of Steel India Ltd. for the year ended 31<sup>st</sup> March, 2025, prepare the Social Balance Sheet as on that date.

(i) Value of human assets: ₹828 lakhs

(ii) The investments were classified as under:

	(₹ in lakhs)			
	Residential	Hospital	School	Welfare
Buildings	17.0	1.0	1.4	0.8
Equipment	3.8	1.0	1.0	

(iii) Water, electricity and gas supply systems totalled ₹ 1 lakh

(iv) Net owned funds were ₹ 26 lakh

4. a) Discuss the meaning of intangible assets as per Ind AS 38. How do different types of intangible assets aid a business? Explain. 4+8

*Or*

b) Discuss in detail the different approaches to measure the value of intangible assets. What are the problems encountered by an organisation while amortizing the intangible assets? Explain. 8+4

5. a) Discuss the reasons for the growing popularity of value-added statements prepared by business houses. 4

b) Prepare a Value-Added Statement from the following Income Statement of XYZ Ltd. 8

	₹	₹
Sales		20,000
Less: Materials consumed	8,000	
Wages paid	4,000	
Interest paid	2,000	

( Turn Over )

Insurance premium	500	
Auditors' fee	300	
Rent	200	
Depreciation	1000	16,000
Profit Before Tax (PBT)		4,000
Less: Income Tax (50%)		<u>2,000</u>
Profit After Tax		2,000
Less: Dividend		<u>1,000</u>
Retained Earnings		<u>1,000</u>

*Or*

c) What is lean accounting? Explain the steps required to introduce lean accounting in an organisation. Briefly discuss some of the tools adopted by organisations to implement lean accounting.

3+5+4

★ ★ ★