43917

BRAINWARE UNIVERSITY

Term End Examination 2025-2026
Programme – M.Com.(BFA)-2024
Course Name – Financial Reporting of Banks and NBFCs
Course Code - MBF40111
(Semester IV)

Full Marks : 60 **Time : 2:30 Hours**

[The figure in the margin indicates full marks. Candidates are required to give their answers in their own words as far as practicable.]

Group-A

(Multiple Choice Type Question) 1 x 15=15

1. *Choose the correct alternative from the following :*

(i) Define International Financial Reporting Standards (IFRS).

a) Local accounting rules
b) Globally accepted accounting rules
c) Tax-only regulations
d) Internal bank policies

(ii) Define Fair Value -

a) Historical cost
b) Price at which asset is sold in open market
c) Book value minus tax
d) Purchase price

(iii) State the principle that determines when income should be recorded in GAAP.

a) Matching principle
b) Revenue recognition principle
c) Cost principle
d) Materiality

(iv) Illustrate the GAAP principle that requires assets to be recorded at the price paid at the time of acquisition.

a) Fair Value
b) Historical Cost
c) Market Value
d) Replacement Cost

(v) Show the treatment of development costs under IFRS if future economic benefits are probable.

a) Always expensed
b) Capitalized
c) Ignored
d) Recorded as a liability

(vi) Select the term for the price at which an asset can be sold in an open market under IFRS.

a) Historical Cost
b) Fair Value
c) Book Value
d) Salvage Value

(vii) Identify the primary body responsible for issuing International Financial Reporting Standards (IFRS).

a) FASB
b) IASB
c) SEC
d) AICPA

(viii) Explain when an impairment loss should be recognized.

a) When fair value rises
b) When carrying amount exceeds recoverable amount
c) When an asset is sold
d) When the useful life ends

(ix) Select the core element representing the residual interest in the assets of an entity.

a) Liabilities
b) Revenue
c) Equity
d) Expenses

(x) Explain what happens when shares are issued above par.

a) It decreases equity
b) It increases equity
c) It is an expense
d) It is a liability

(xi) Select the criteria for recognizing a provision.

a) Possible obligation
b) Probable obligation and reliable estimate
c) Remote possibility
d) Only when paid

(xii) Show how treasury shares are reported in the balance sheet.

a) As an asset
b) As a deduction from equity
c) As a liability
d) As revenue

(xiii) Choose the classification for a 10-year bank loan.

a) Current Liability
b) Non-current Liability
c) Equity
d) Revenue

(xiv) Illustrate the primary goal of financial reporting oversight.

a) Increase marketing
b) Ensure transparency
c) Hide debt
d) Reduce staff

(xv) Explain what Exploration and Evaluation costs are in mining.

a) Finding mineral resources
b) Building cafeterias
c) Retail jewelry price
d) Marketing stock

Group-B

(Short Answer Type Questions) 3 x 5=15

2. State one major difference between IFRS and GAAP regarding Inventory. (3)
3. Explain the Accrual Basis of accounting. (3)
4. Explain how Purchased Goodwill is treated in Accounts over the years. (3)
5. Define the trend of Real-Time Reporting. (3)
6. State the components of the Five-Step Model for Revenue Recognition. (3)

OR

Illustrate why Intercompany Sales must be eliminated. (3)

Group-C

(Long Answer Type Questions) 5 x 6=30

7. Explain the structure and format of the Statement of Comprehensive Income under IFRS. (5)
8. Evaluate the impact of Discontinued Operations on financial statement presentation. (5)
9. Differentiate between Financial Liabilities and Equity Instruments. (5)
10. Summarize the accounting treatment for Associates versus Subsidiaries. (5)
11. Illustrate the challenges of Integrated Reporting (Financial + ESG). (5)
12. Evaluate the challenges in measuring Fair Value for non-active market assets. (5)

OR

Assess the impact of Unrealized Intercompany Profits on consolidated statements. (5)

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