

2012  
Bachelor of Commerce (Hons.)  
Third Semester

BCH-307: Accounting and Finance: Accounting Theory and Reporting Practices

Time allowed: 3 Hours

Max. Marks: 80

**NOTE:** Attempt four short answer type questions from Section-A. Attempt two questions each from Section B and C respectively.

x-x-x

**Section – A**

- I. Attempt any four of the following:-
- a) Contribution of Luca Pacioli towards accounting.
  - b) Explain the human information processing approach to accounting theory formulation.
  - c) Build a case in favour of accounting standard setting by public sector.
  - d) Need of conceptual framework of financial reporting.
  - e) Positive approach of accounting theory.
  - f) Principle of consistency. (4x5)

**Section - B**

- II. Define accounting. Who all are the users of accounting information? (15)
- III. What is meant by events approach of accounting theory? Explain its suitability in present scenario. (15)
- IV. Explain ethical and sociological approaches of accounting theory formulation. (15)
- V. Write short notes on:-
- a) Free market approach to standard setting
  - b) Need to establish accounting standards (15)

**Section - C**

- VI. Write short notes on:-
- a) Historical Cost Accounting Model
  - b) Net Realizable Value Accounting Model (15)

P.T.O.

(2)

- VII. 'The usefulness of financial information is enhanced if it is comparable, verifiable, timely, relevant, understandable and has faithful representation.' Elaborate. (15)
- VIII. Write a detailed note on structure of accounting theory. (15)
- IX. Critically evaluate predictive approach to formulation of accounting theory. (15)

x-x-x