

SECTION-B

UNIT-I

9. Explain the roles of IASB and other bodies in the harmonization of accounting standards.
10. Identify several internal and external reporting issues that arise when business and investments transcend national borders.

UNIT-II

11. Explain the term Transfer Pricing. Discuss how discretionary transfer pricing can be used to achieve specific cost minimization objectives?
12. Discuss the accounting treatment for investments in subsidiaries, joint ventures and associates in separate financial statements as per IAS27.

UNIT-III

13. Evaluate which of the available foreign currency translation methods are best under which specific business and currency market conditions.
14. Compare and contrast the financial statement effects of the temporal versus the current rate method of foreign currency translation.

UNIT-IV

15. Explain the term Strategic Accounting. Discuss the strategic accounting issues in multinational corporations.
16. What do you mean by US GAAP? What are the similarities and differences between GAAP and IFRS?

SECTION-C

17. Read the case study carefully and answer the question given at the end.

PetroChina Company Limited

PetroChina Company Limited (PetroChina) was established as a joint stock company under the company law of the People's Republic of China in 1999 as part of the restructuring of China National Petroleum Corporation. PetroChina is an integrated oil and gas company

with operations in virtually every aspect of China's oil and gas industry, including exploration and production, refining and marketing, natural gas transmission, and petrochemicals. PetroChina manages some 70 percent of China's oil and gas reserves and 45 percent of its oil-refining capacity. Its shares were listed on the Hong Kong and New York Stock Exchanges in 2000. You are an equity research analyst and have been asked to prepare a research report on PetroChina. Your business strategy analysis indicates that PetroChina's sales growth and financial performance can probably be sustained. However, although your qualitative analysis has yielded promising results, you are concerned that your financial analysis will be difficult due to accounting and audit-quality issues. You start your analysis by becoming familiar with the accounting principles used to prepare PetroChina's financial statements filed with the U.S. Securities and Exchange Commission. You are encouraged that the company states that its financial statements conform to IASB standards, but realize that how accounting standards are applied is as important as the standards themselves.

Required :

- a. As much as possible, assess the extent to which PetroChina's accounting principles conform to IASB standards.
- b. How reliable is your assessment?
- c. What further information would help your assessment?
- d. Does the auditor's report provide information useful in your assessment? Explain.

NOTE : Disclosure of Identity by writing Mobile No. or Making of passing request on any page of Answer Sheet will lead to UMC against the Student.