The Institute of Chartered Accountants of India

Code: FN1FR400569

Subject : 01 Financial Reporting

Total Marks: 100

Marks Obtained : 81.5

GRAPH PAPER IS ON THE PENULTIMATE PAGE

Book No. 1 (containing 28 pages)

THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA

Final Examination

Group No. I Paper No. 1

Subject Financial Reporting

Number of Answer Books used : Main + 1 additional sheets

Date Seal 02 MAY 2023

For use by ICAI only

400569

PUT THE SEAL WITH IN THIS CIRCLE

THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA MAY-2023

ICAI

Paper Code W H T 1

MCQ Booklet Serial No.

Paper No. (See Reverse)

Level of Exam → Intermediate ① Final ②

Stream → Old ① New ②

Answers

The Institute of Chartered Accountants of India

Code:	FN1FR400569	Total Marks:	100
Subject :	01 Financial Reporting	Marks Obtained :	81.5

[redacted] ...DATE

[redacted] ...e cover

[redacted] ...MR portion

[redacted] ...propriate space at the

[redacted] ...ffix the same on box provided

[redacted] ...umber written in numbers, words and ...n wrongly, Institute will not take any

[redacted] ...n page and question number prominently written at the ...er should be distinctly written in the margin. ...fully completed in one page or in a consecutive set of pages,

[redacted] ...an the space provided for the purpose or writing distinguishing mark, ...786", etc., will tantamount to adoption of "unfair means" ...book to the invigilator take care to score out (X) blank pages, if any, that you

Illustration for Filling the MCQ Booklet Serial No.

...CTIONS TO THE CANDIDATE FOR FILLING THE MCQ ANSWER FIELDS

...B. Pencil to Darken the appropriate Circle.

...d darken the correct MCQ Booklet Serial No. as printed on your question booklet which will be taken as final for evaluation ...se any candidate fills in this information wrongly, Institute will not take any responsibility for rectifying the mistake.

...lease darken the complete circle.

4. If you want to change your Answer, erase the all darkened circle completely and make a fresh mark.
5. Please do NOT make any stray marks on the OMR cover page.
6. Rough work must NOT be done on the OMR cover page.
7. Mark your answer only in the appropriate space against the number corresponding to the question.

How to mark answers

CORRECT METHOD — WRONG METHOD

Q. No.	To be ticked (✓) by the candidate against the Questions answered Descriptive Type
1	✓
2	
3	✓
4	✓
5	✓
6	✓
7	
8	
9	
10	
11	
12	
13	
14	
Total	

LIST OF EXAM, PAPER NO. AND PAPER NAME (TO BE REFERRED TO FOR FILLING ON THE REVERSE SIDE)

EXAM	PAPER NO.	PAPER NAME
Intermediate - New		
Intermediate - (NEW COURSE)	2	CORPORATE AND OTHER LAWS
Intermediate - (NEW COURSE)	4	TAXATION
Intermediate - (NEW COURSE)	6	AUDITING AND ASSURANCE
Intermediate - (NEW COURSE)	7	ENTERPRISE INFORMATION SYSTEMS AND STRATEGIC MANAGEMEN
Final - NEW		
FINAL - (NEW COURSE)	3	ADVANCED AUDITING AND PROFESSIONAL ETHICS
FINAL - (NEW COURSE)	4	CORPORATE AND ECONOMIC LAWS
FINAL - (NEW COURSE)	7	DIRECT TAX LAWS AND INTERNATIONAL TAXATION
FINAL - (NEW COURSE)	8	INDIRECT TAX LAWS

The Institute of Chartered Accountants of India

Code: FN1FR400569 Total Marks: 100
Subject : 01 Financial Reporting Marks Obtained : 81.5

03

Q-4 [A]

IND AS '109', "Financial Instruments", states that financial Assets are recognised at fair value on initial recognition.

Loan provided by Autumn Ltd to Mrs Jama Bai is a financial Asset for the company.

Computation of fair Value

Year	Cash flow Principal	Interest	DF@ 9%	P.V.
31/3/20	3,00,000	–	0.9174	2,75,220
31/3/21	3,00,000	–	0.8417	~~1,68,340~~ 2,52,510
31/3/22	3,00,000	–	0.7722	~~1,54,440~~ 2,31,660
31/3/23	3,00,000	–	0.7084	~~1,41,680~~ 2,12,520
31/3/24	–	40,000	0.6499	25,996
31/3/25	–	40,000	0.5963	23,852
31/3/26	–	40,000	0.5470	21,880
			10,43,638	~~8,11,408~~

The fair value of loan (liability component) of the financial Instrument is ₹ ~~8,11,408~~ 10,43,638

Total Proceeds	(₹)	12,00,000
(–) Liability component		~~(8,11,408)~~ (10,43,638)
Employee benefit expense		~~3,88,592~~ 156,362

4aStep3 2

Page 03

The Institute of Chartered Accountants of India

Code: FN1FR400569 Total Marks: 100
Subject : 01 Financial Reporting Marks Obtained : 81.5

04

The residuary part of the financial instrument will be treated as Employee benefit expense [EBE] and will be charged to P or L A/c over the term of the loan.

Financial liability - Amortization table

Year	Op. bal	Int (9%)	Repay	Cl. bal
1	10,43,638 ~~811408~~	93,927 ~~73,027~~	3,00,000	8,37,565 ~~5,84,435~~
2	837565 ~~584,435~~	75,381 ~~52,599~~	3,00,000	6,12,946 ~~3,37,034~~
3	612946 ~~3,37,034~~	55165 ~~30,333~~	3,00,000	3,68,111 ~~67,367~~
4	368111 ~~67,367~~	33,130	3,00,000	1,01,241
5	1,01,241	9112	40,000	70,353
6	70,353	6332	40,000	36,685
7	36,685	3315	40,000	—

(i) Journal Entry in the books of Autumn Ltd

01/04/19
Loan to Employee A/c Dr 10,43,638
Employee benefit exp A/c Dr 1,56,362
To Bank A/c 12,00,000
(Being the ...)

31/03/20
~~Dr~~ Loan to Employee A/c Dr 93,927
To Interest income A/c 93,927
(Being the ....)

4aStep5 3.5

Page 04

The Institute of Chartered Accountants of India

Code: FN1FR400569 Total Marks: 100

Subject : 01 Financial Reporting Marks Obtained : 81.5

05

4aStep1 4

Bank A/c Dr 3,00,000
  To Loan to employee A/c 3,00,000
(Being the . . .)

Employee benefit Expense A/c Dr 22,337
  To EBE reserve A/c 22,337
[156362 ÷ 7 years]

(ii) Loan to Mrs. Jama Bai

Date	Particulars	Amount	Particulars	Amount
2019-20				
31/3	To loan A/c	10,43,638	By Bank	3,00,000
	~~To EBE Reserve A/c~~	~~156362~~	~~By bank A/c~~	~~12,00,000~~
	To ~~Bank~~ Int A/c	~~3,00,000~~ 93927	By bal	837565
2020-21				
31/3	To balance	837565	By bank	3,00,000
	To Interest	75,381	By balance	612946
2021-22				
31/3	To balance	612946	By bank	3,00,000
	To int	55165	by bal	368111
2022-23				
31/3	To balance	368111	By bank	3,00,000
	To int	33130	By bal	101241

Page 05

The Institute of Chartered Accountants of India

Code: FN1FR400569 | Total Marks: 100
Subject : 01 Financial Reporting | Marks Obtained : 81.5

06

2023-24

To balance	101241	By Bank	40,000
To int	9112	By Cl. bal	70353

202[illegible]

To bal	70,353	By bank	40,000
To int	6332	By cl bal	36685

2025-26

To bal	36685	By Bank	40,000
To int	3315		

4aStep2 3.5

4aStep4 0

4a 13

4 17

Page 06

The Institute of Chartered Accountants of India

Code: FN1FR400569
Subject : 01 Financial Reporting
Total Marks: 100
Marks Obtained : 81.5

07

DO NOT WRITE ANYTHING HERE

Q4 [B]

Issuing Authority of Integrated Reporting framework consists of

Regulators
statutory Bodies
NGO
Accounting Bodies
companies.

The aim of the organisation is to maximise the informative value such reporting which leads focuses more on value maximisation over the long term.

4bStep1 4

~~strategic~~
Value created by the company to its owners & other stakeholders.

4b 4

The Institute of Chartered Accountants of India

Code: FN1FR400569
Subject : 01 Financial Reporting
Total Marks: 100
Marks Obtained : 81.5

08

5aStep1 0

Q5-A

Question deals with IND AS 108 "Reporting Segments". (₹ in lakhs)

Segment	Coating	Others	Total
Revenue			
External Revenue	1,20,000	42,000	1,62,000
(-) GST	(3000)	(1800)	(4800)
	1,17,000	40,200	1,57,200
Other Operating income	24,000	9000	33000
	1,41,000	49,200	1,90,200

5aStep2 2.5

Result	6000	2400	8400
Unallocated income			1800
PBIT			10,200
(-) Int & Bank charges			(1200)
(-) Income tax exp. Current tax 1170, Deferred tax 30			(1200)
			7800

5aStep3 4

Asset	30,000	18,000	48,000
Unallocated Invest			6000
Other Assets			6000
			60,000

5aStep4 1.5

P.T.O

Page 08

The Institute of Chartered Accountants of India

Code: FN1FR400569 Total Marks: 100
Subject : 01 Financial Reporting Marks Obtained : 81.5

09

5 15

	Coating	Others	Total
5a 12.5 bilities	18000	6000	24000
Unallocated liab			12000
Reserves & Surplus			18000
5aStep5 2.5 Share Capital			6000
			60,000
Depreciation	(600)	(180)	
Capital expenditure	(3000)	(1200)	

5aStep6 2 Geographical Segments

	India	O/s India	Total
Revenue	1,53,000	37200	1,90,200
5aStep7 0 Asset	54,000	6000	60,000

Q 5 [B]

A provision should be recorded when
- There is a present obligation arising out of past event.
- Amt can be reliably estimated
- There is a probability of future
5bStep1 2.5 cash outflows arising out of legal & contractual agreements.

→ Here the company has legal obligation to restore the sea bed at the end of the
5b 2.5 period. Hence co should make provisions for restoration expense in its F.S.

Page 09

The Institute of Chartered Accountants of India

Code: FN1FR400569 | Total Marks: 100
Subject : 01 Financial Reporting | Marks Obtained : 81.5

10

Q 1 [A] ~~(B)~~

(WN1)

Purchase consideration

	(₹ in lakhs)
Cash [9,00,000 × 80% × ₹ 20]	144
Equity Shares [9,00,000 × 80% × 5/6 × ₹ 100]	600
Contingent Consideration [90 lakhs × DF of 3rd year @ 10%]	67.62
[12 lakhs × $\frac{2}{5}$]	4.80
	816.42

Note 1 :
Acquisition cost of Swan Ltd for Duck Ltd will be debited to P or L.

Note 2 :
Agreement to Pay ₹ 15 lakh to the founder will be expensed and not to be included in PC.

1aStep3 2

The Institute of Chartered Accountants of India

Code: FN1FR400569 Total Marks: 100
Subject : 01 Financial Reporting Marks Obtained : 81.5

11

(WN 2) DTA / DTL

	C.A.	Tax base	DTA/DTL	(30%) Amt
PPE	1200	1000	DTL	60
Investments	300	240	DTL	18
Brand	250	–	DTL	75
Contingent liab	5	–	DTA	1.50
			DTL	151.50

1aStep4 1

(WN 3) Net Assets taken over

	₹ in lakhs
PPE	1200
Invst	300
Inventories	260
Trade Receivable	540
Cash	290
Other CA	350
Brand	250
(–) LTB	(500)
(–) Long term prov	(200)
(–) STB	(290)
(–) Payables	(370)
(–) Contingent liab	(25)
(–) DTL	(151.50)
	1653.50

1aStep5 2.5

P.T.O

DO NOT WRITE ANYTHING HERE

The Institute of Chartered Accountants of India

Code: FN1FR400569 Total Marks: 100
Subject : 01 Financial Reporting Marks Obtained : 81.5

12

(WN 4) Goodwill / BPG

P.C	816.42
+ NCI	330.70
(~~9,00,000~~ 20% of 1653.50)	
− NATO	(1653.50)
Business Purchase Gain	506.38

Consolidated Balance Sheet of Swan Ltd (₹ in lakhs)

Particulars	Note No	Amt
Non Current Assets		
PPE		2000
Intangible		250
Investments		1200
Current Assets		
Inventories		620
Financial Assets		
Trade receivables		1580
Cash & CE (810-144)		~~810~~ 666
Other Current Assets		1050
		~~5510~~
		7366

P.T.O

The Institute of Chartered Accountants of India

Code: FN1FR400569 | Total Marks: 100
Subject : 01 Financial Reporting | Marks Obtained : 81.5

13

	Note No	
Equity & Liab		
Equity		
Share Capital	1	1260 ~~1800~~
Other Equity	2	2501.18 ~~1961.18~~
MI		330.70
Non Current Liab		
Financial Liab		
– LTB (700+500)		1200
Long term Provision (67.62+140+200)		407.62
DTL (151.50 + 80)		231.50
Current Liab		
Financial Liab		
Short term borrow (250+290)		540
Trade Payables (500+370)		870
Short term provisions		~~25~~
		~~7406~~
		7366

Note 1

Share Capital

Authorised equity share of ₹10 each — 1200

Issued Equity shares — 600

(1,26,000 x ₹10) — 1260 ~~1800~~

Note 2 Other Equity

	S.P	Other	Capital Reserve	SBPR	Total
Balance	–	1450	–	–	1450
BPG	–	–	506.38	–	506.38
ESOP	–	–	–	4.80	4.80
S.P	540	–	–	–	
	540	1450	506.38	2501.18	~~1961.18~~

1aStep1 2.5
1aStep7 0
1 15
1a 10
1aStep2 1

Q1 [B]

[i] When an arrangement has been entered between the Bank and the Company before the end of the reporting period which states that the loan will not be ~~at~~ demanded to be repaid within 12 months from the reporting period it will be classified as Non-Current.

Here, X Ltd has entered into an arrangement with bank as per which the o/s loan will unconditionally roll to new facility which will expire after 3 years. Therefore X Ltd will present such loan as Non-Current

[ii] If the arrangement is entered ~~correctly~~ after the reporting period, than the loan is to be paid within 6 months from the end of reporting period which will lead to classification of such loan as Current liability on the ~~date~~ end of reporting period.

The Institute of Chartered Accountants of India

Code: FN1FR400569 Total Marks: 100
Subject : 01 Financial Reporting Marks Obtained : 81.5

15

[iii] Agreement for extension has to be entered between the Company & Bank. Mere potential to refinance the obligation won't change the classification of loan. As per the original terms, the loan will ~~be~~ have to be repaid within 12 month, from end of reporting period and hence will be classified as current.

1bStep1 5

1b 5

The Institute of Chartered Accountants of India

Code: FN1FR400569 | Total Marks: 100
Subject : 01 Financial Reporting | Marks Obtained : 81.5

16

Q3 [A]

Journal Entries in the books of ABC Ltd

Date	Particulars	Dr	Cr
30/09/22	Profit or loss A/c Dr	15,60,000	
	To Biological Assets		15,60,000
	[Being the ...] [20 × (81000 (-) 3000)]		
01/10/22	Expense to sell A/c Dr	60,000	
	Biological Asset A/c Dr	12,00,000	
	To Bank A/c		12,60,000
	[Being the ...] [20 × (63,000 - 3000)]		
~~31/3/23~~	~~Biological Asset A/c Dr~~	~~93,60,000~~	
~~(WN 1)~~	~~To F.V. Gain on remeasurement A/c~~		~~93,60,000~~
	~~[Being the ...]~~		

* On 31/3/23 Milk will be unsold inventory in the books of ABC Ltd and will be valued at 1000 ltrs × ₹ (60 - 3)
= ₹ 57,000

The Institute of Chartered Accountants of India

Code: FN1FR400569 Total Marks: 100
Subject : 01 Financial Reporting Marks Obtained : 81.5

(WN1)

Carrying value of cows as on 01/04/22

500 Cows × ₹ (81,000 − 3000) = 3,90,00,000

~~(a) 20 cows × ₹~~

For 480 cows = 3,74,40,000

Fair Value as on 31.3.23

480 cows × 76,200 = 3,65,76,000

31/3/23 F.V. loss on remeasurement A/c Dr 8,64,000
To Biological Asset A/c 8,64,000
[Being the loss recognised for 480 cows]

3aStep2 2.5

Carrying Value of 20 cows = 12,00,000
Fair Value of 20 cows = 13,44,000
1,44,000

31/3/23
Biological Asset A/c Dr 1,44,000
To F.V. Gain on remeasurement A/c 1,44,000
(Being the ....)

3a 7.5

3aStep1 5

The Institute of Chartered Accountants of India

Code: FN1FR400569 Total Marks: 100
Subject : 01 Financial Reporting Marks Obtained : 81.5

Q3[B]

(i) Statement showing cost of Asset as computed under IND AS 16

Particulars	Amt (₹)
Land	42,00,000
Legal fees	1,50,000
Architect fees	2,70,000
Cost of demolishing	1,35,000
Site preparation	1,00,000
Material Purchase (Note 1)	12,90,000
Employment Cost (Note 2)	7,20,000
General overheads (Note 3)	3,15,000
Overheads direct (Note 4)	~~3,15,000~~
Sale of salvage (Note 5)	–
Decommissioning liability (Note 6)	1,36,000
Borrowing Cost (Note 7)	4,25,000
	83,41,000

3bStep1 5.5

(Note 1)

Material Exp

Purchase	15,00,000
(–) GST credit	(50,000)
(–) Wastage (Assumption: Abnormal waste)	(40,000)
(–) rectify design	(1,20,000)
	12,90,000

The Institute of Chartered Accountants of India

Code: FN1FR400569
Subject : 01 Financial Reporting
Total Marks: 100
Marks Obtained : 81.5

(Note 2) Employment Cost

Total = 8,00,000 × 9/10 = 7,20,000

(Note 3)
General Overheads are not included in the cost of Asset and are expensed off

(Note 4)
35000 × 9 = 3,15,000

(Note 5)
Sale of salvage will not be excluded from the cost of Asset.

(Note 6)
P.V. of decomissioning liability
(80,00,000 × 0.092) = 7,36,000

(Note 7)
All the expenses directly related to the construction of the Asset are included in the cost of Asset.

(Note 8)
Income received from land used for other ~~part~~ purpose will not be excluded from the cost of Asset.

DO NOT WRITE ANYTHING HERE
DO NOT WRITE ANYTHING HERE
DO NOT WRITE ANYTHING HERE

The Institute of Chartered Accountants of India

Code: FN1FR400569 Total Marks: 100
Subject : 01 Financial Reporting Marks Obtained : 81.5

20

(Note 9)
Borrowing Cost

60 lakhs × 10% × 9/12 = 4,50,000
(−) Temporary investment proceeds = (25,000)
4,25,000

(ii) Depreciation

Cost of Asset 83,41,000
(−) Non Depreciable Asset (42,00,000)
41,41,000

Roof of Warehouse = 41,41,000 × ~~30%~~ 25%
= ~~12,42,300~~ = 10,35,250

Depreciation
Roof = 10,35,250 × 1/15 × 1/2 = 5751
Other part
31,05,750 × 1/30 × 1/12 = 8627
Total Depreciation 14,378

(iii) Carrying Value as on 31/03/2023

3bStep2 0

The Institute of Chartered Accountants of India

Code: FN1FR400569 | Total Marks: 100
Subject : 01 Financial Reporting | Marks Obtained : 81.5

3b 5.5

Cost of the Asset	83,41,000
(-) depreciation	(14,378)
	83,26,622

3 16.5

Q3 [C]

(a) IND AS 24 "Related Party Transactions"

If a person has a control / Joint control / significant influence in one entity and has control / Joint control in another entity, then both the entity are related to each other.

(i) For ~~x~~ Mr M to be a related party of X Ltd and Y Ltd, he should either have Control / Joint Control / Significant influence or should be a director in both the entities

3cStep1 3.5

(ii) If a person has significant influence in both the entities then ~~they~~ ~~will~~ entities will not be considered as related to each other.

3c 3.5

The Institute of Chartered Accountants of India

Code: FN1FR400569 Total Marks: 100
Subject : 01 Financial Reporting Marks Obtained : 81.5

22

Q6[B]

IND AS 109 states to measure financial Asset & liabilities at fair value.

Fair Value of Liab.

6bStep2 2

80,00,000 × 0.7937 = 47,62,800

Amt disbursed	(60,00,000)
Invest by strong	12,37,200

Journal Entries in Weak Ltd

01/04/21	Bank A/c Dr	60,00,000	
	To Capital Contribution		1237200
	To loan from Strong		47,62,800
	(Being the ...)		
31/03/22	Finance Cost Dr	381024	
	To loan A/c		381024
	(Being the ...)		
31/03/23	Finance Cost Dr	411506	
	To loan A/c		411506
	(Being the ...)		

The Institute of Chartered Accountants of India

Code: FN1FR400569 Total Marks: 100
Subject : 01 Financial Reporting Marks Obtained : 81.5

23

31/03/24	Finance Cost A/c Dr		4,44,670	
	To Loan A/c			4,44,670
	(Being the ...)			
	Loan from Strong A/c Dr		60,00,000	
	To Bank A/c			60,00,000
	(Being the ...)			

6bStep1 3

Financial liab - Amortization table

Year	Op. bal	Int (8%)	Repay	Cl.
1	4762800	381024	–	5143824
2	5143824	411506	–	55,55,330
3	55,55330	4,44,670*	–	60,00,000

* rounded off

6b 5

6 18

The Institute of Chartered Accountants of India

Code: FN1FR400569 Total Marks: 100
Subject : 01 Financial Reporting Marks Obtained : 81.5

24

Q6 (c)

Computation of Cost of gift

	Amt (In ₹)
Material Cost (20,000 x 100)	20,00,000
Freight	1,00,000
External designer	20,000
Labour	8000
Material	45000
Labour	20,000
depreciation of plant	7000
Realisation from salvage	(5000)
Consumables	1,25,000
Labour	1,42,000
Depreciation	38,000
	25,00,000

6cStep1 3.5

6cStep2 1.5

Note 1

All the direct cost related to the inventory should be added to the cost of inventory.

6c 5

Note 2

Material purchased should be booked at its Net Amount. (excluding refundable taxes)

The Institute of Chartered Accountants of India

Code: FN1FR400569 Total Marks: 100
Subject : 01 Financial Reporting Marks Obtained : 81.5

25

(Notes)
Depreciation for PPE specifically used for manufacturing of inventory should be added to its cost.

Q 6 [D]

Seperate financial statements

		(₹ in lakhs)
	Proceeds received on sale =	114.00
(-)	Investment (80%) (75,00,000 × 80%) =	(60.00)
	Gain on disposal	54.00

6dStep1 1.5

Bank A/c Dr	~~60~~ 114	
To Investment A/c		60
To Gain on disposal		54

Consolidated F.S

Bank A/c Dr	114	
Invst in Assoc A/c Dr	28.50	
To Assets A/c		120
To Goodwill A/c		15
To Gain on disposal A/c		7.50

6dStep3 1

P.T.O

The Institute of Chartered Accountants of India

Code: FN1FR400569 Total Marks: 100
Subject : 01 Financial Reporting Marks Obtained : 81.5

26

6dStep2 1.5

Proceeds from sale	=	114
Retained int.	=	28.50
(-) Assets CA.	=	(120)
(-) Goodwill	=	(15)
		7.50

6d 4

Q 6 [A]

(i) IND AS 10 "Events occurring after reporting period" states that Events occurring ~~from~~ between the end of reporting period to the date of financial statements being approved by the Authority.

Here Authority refers to the date F.S. are approved by BOD.

Therefore the date in this case will be 26/06/22 the date when they are approved by BOD.

P.T.O

The Institute of Chartered Accountants of India

Code: FN1FR400569
Subject : 01 Financial Reporting

Total Marks: 100
Marks Obtained : 81.5

27

The Institute of Chartered Accountants of India

Code: FN1FR400569
Subject : 01 Financial Reporting

Total Marks: 100
Marks Obtained : 81.5

28

1073762

The Institute of Chartered Accountants of India

Code: FN1FR400569 Total Marks: 100
Subject : 01 Financial Reporting Marks Obtained : 81.5

1073763

Addl. Book No. 01

THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA
ADDL. BOOK

DO NOT WRITE ROLL NUMBER ANYWHERE IN THIS ADDITIONAL ANSWER BOOK

0 2 MAY 2023

DO NOT WRITE ANYTHING HERE

(c)(ii) Adjusting events are those events the evidence of which were existing on the Balance sheet Date.

Company in litigation with ITD. and on 01/04/23 it received an order which is unfavourable to the company. The F.S. of current year are not yet approved.

Therefore Company should provide for the amount of provision as equal to the amt of tax on exemptions not Allowed.

(iii) Insolvency would not have been an overnight situation for the debtor. The existence for the same must have existed as on the ~~day~~ last day of reporting

The Institute of Chartered Accountants of India

Code: FN1FR400569 Total Marks: 100
Subject : 01 Financial Reporting Marks Obtained : 81.5

2

period. loss due to fire was also not covered by any insurance.

This suggests that this is an Adjusting event and Company should provide for full amt of ₹ 3 lakh in its financial statements.

(iv) ~~Even though~~ Event for which no conditions existed on the balance sheet date are termed as Non-Adjusting event.

Company did not had any evidence for the reduction in Market Value of its investment ~~as~~ the reporting date. So no adjustment is required.

If amount is Material, disclosure ~~[illegible]~~ may be given in f.s.

The Institute of Chartered Accountants of India

Code: FN1FR400569
Subject : 01 Financial Reporting

Total Marks: 100
Marks Obtained : 81.5

1073764

3

(v) Company was already in talks with the seller for purchase of land at the end of the financial reporting period.

Even though, the deal was concluded in first week of April, it would be considered as Adjusting event.

6aStep1 4

Purchase of land should be recognised in the FY ~~21-22~~ 22-23.

6a 4

DO NOT WRITE ANYTHING HERE

DO NOT WRITE ANYTHING HERE

DO NOT WRITE ANYTHING HERE

The Institute of Chartered Accountants of India

Code: FN1FR400569

Subject : 01 Financial Reporting

Total Marks: 100

Marks Obtained : 81.5

4

DO NOT WRITE ANYTHING HERE

DO NOT WRITE ANYTHING HERE

DO NOT WRITE ANYTHING HERE

Code: FN1FR400569
Subject : 01 Financial Reporting

Total Marks: 100
Marks Obtained : 81.5

Result Overview

Awarded Marks: 81.5

Max Marks:100

NA Not Attempted   O Optional   M Marked

Q1_Compulsory (Score: 15/20)

Question No	Awarded Marks	Maximum Marks	Status
1	15	20	M
1a	10	15	M
1b	5	5	M

)6 (Score: 66.5/80)

...tion No	Awarded Marks	Maximum Marks	Status
	0	20	O
2a	0	8	O
2b	0	6	O
2c	0	6	O
3	16.5	20	M
3a	7.5	8	M
3b	5.5	8	M
3c	3.5	4	M
4	17	20	M
4a	13	14	M
4b	4	6	M
5	15	20	M

M
M
M
M

[redacted]