PART – I

1. Bazar Ltd. enters into a contract for the sale of Product H for ₹ 2,000 per piece. As part of the contract, it gives the customer a 40% discount voucher for any future purchase upto ₹ 1,000 in the next 30 days. Bazar Ltd. intends to offer a 10% discount on all sales during the next 30 days as part of a seasonal promotion. The 10% discount cannot be used in addition to the 40% discount voucher. Bazar Ltd. believes there is 90% likelihood that a customer will redeem the voucher and, on an average, a customer will purchase ₹ 1,000 of additional products.

   On the basis of above information, determine how many performance obligations does Bazar Ltd. have and the allocated transaction price ? **2**

   (A) 1 performance obligation, allocated price of product H is ₹ 2,000.

   (B) 2 performance obligations, allocated price of product H is ₹ 1,762 and discount voucher is ₹ 238.

   (C) 2 performance obligations, allocated price of product H is ₹ 1,850 and discount voucher is ₹ 150.

   (D) 2 performance obligations, allocated price of product H is ₹1,900 and discount voucher is ₹ 100.

2. Win Limited is a first time adopter of Ind AS. The company has a financial asset classified as held-to-maturity (HTM) under previous GAAP. Under Ind AS 101, the company decides to classify the asset as a Financial Asset at Fair Value through Profit or Loss. Determine the impact of this decision on the first set of Ind AS financial statements of Win Limited. **2**

   (A) Win Limited must recognize the financial asset at fair value at the transition date and the difference from the carrying amount under previous GAAP is adjusted though Retained Earnings.

   (B) Win Limited must apply the fair value treatment retrospectively for all the periods, restating the financial asset in the comparative periods.

   (C) Win Limited must classify all similar financial assets as financial assets at Fair Value through Profit or Loss in future periods under Ind AS.

   (D) Win Limited is required to recognize the financial asset at deemed cost in the first Ind AS financial statements.

3. Securities Limited is a financial institution that handles voluminous sensitive data of its clients, such as personal information and records of their financial transactions. At times it is also required by various regulatory bodies to share its clients' data with them. Traditionally it involves reviewing the transactions and extracting data from various sources which is time consuming. Securities Limited wants to ensure secure and transparent storage of its financial data, enhance data privacy and maintain the trust of its stakeholders.

Which technology would be most suitable for Securities Limited to achieve the above ? **2**

(A) Blockchain

(B) Artificial Intelligence

(C) Cloud Computing

(D) Robotic Process Automation

Case Study – I :

Raja Limited, a leading public limited company engaged in the manufacture of pharmaceuticals, prepares its accounts as per Ind AS. The company has entered into the following transactions during the financial year ended 31st March, 2025 :

(i) On 1st April, 2024, Raja Limited held 35% of total equity shares of Volga Limited, which is an associate company. The carrying value of the investment in Volga Limited on 31st March, 2024 is ₹ 1,50,00,000 in the consolidated financial statements of Raja Limited. During financial year 2024-25, Raja Limited sold goods worth ₹ 3,50,000 to Volga Limited. The cost of goods sold is ₹ 3,00,000. Out of these, goods costing ₹ 1,00,000 to Volga Limited were lying unsold with it on 31st March, 2025. During the year ended 31st March, 2025, the Statement of Profit and Loss of Volga Limited showed a profit of ₹ 25,00,000. Volga Limited declared and paid a dividend of ₹ 10,00,000 to its equity shareholders during 2024-25.

(ii) Raja Limited held 50% of the voting power of Sharp Limited, which is a Joint Venture of Raja Limited. The carrying value as on 1st April, 2024 of the investment in Sharp Limited as per Equity Method is ₹ 50,00,000. On 1st July, 2024, out of the 50% stake, Raja Limited sold 20% stake in Sharp Limited to an unrelated entity for a consideration of ₹ 40,00,000. The fair value of the retained 30% interest is ₹ 60,00,000.

(iii) On 1st August, 2024, Raja Limited acquired 70% Equity Shares of S Limited by paying a cash consideration of ₹ 97,50,000 (including control premium). The fair value of net identifiable assets of S Limited is ₹ 1,30,00,000. The fair value of 30% of the shares owned by the non-controlling shareholders on the date of acquisition is ₹ 25,00,000. The carrying amount of net identifiable assets of S Limited is ₹ 1,20,00,000. Raja Limited choses to measure the interest of non-controlling shareholders at fair value.

On the basis of the information provided above, you are required to choose the most appropriate answer to the below mentioned questions **4** to **6** in line with the relevant Ind AS.

(3 × 2 = 6)

4. Determine the value of Investment in Volga Limited as on 31st March, 2025 in the Consolidated Financial Statements of Raja Limited, if equity method is adopted for valuing the investment in associates.

(A) ₹ 1,58,75,000

(B) ₹ 1,55,25,000

(C) ₹ 1,55,10,714

(D) ₹ 1,55,20,000

5. Determine the amount of gain /loss to be recorded by Raja Limited on disposal of its stake in Sharp Limited.

(A) Nil

(B) ₹ 20,00,000

(C) ₹ 50,00,000

(D) ₹ 30,00,000

6. Determine the amount of goodwill/gain on bargain purchase arising on the acquisition of S Limited.

(A) Gain on Bargain Purchase ₹ 7,50,000

(B) Goodwill ₹ 2,50,000

(C) Goodwill ₹ 6,50,000

(D) Goodwill ₹ 16,50,000

Case Study – II :

XYZ Ltd. is a manufacturing company engaged in the manufacturing of home and kitchen appliance products. Following information is available in respect of XYZ Ltd. for the year ended on 31st March, 2025 :

(i) During the year 2024-25, XYZ Ltd. purchased a special type of packing material from an USA based company for \$ 14,00,000 on 1st December, 2024 when the exchange rate was \$ 1= ₹ 75. The American company provided XYZ Ltd. with 5-month interest-free credit. At the reporting date i.e. 31st March, 2025, the exchange rate was \$ 1 = ₹ 77.5. As at 31st March, 2025, 60% of the raw material purchased was still in inventory of XYZ Ltd. The functional currency of XYZ Ltd. is Indian Rupee.

(ii) In order to motivate and retain employees, XYZ Ltd. announced on 1st April, 2022, a scheme of granting 6 stock appreciation rights (SAR) to 400 employees who remain in the organization for the next 3 years. Other information available on the portal relating to this scheme is as under :

Year ended	Fair value of SAR (₹)	Employees expected to remain in the organization as at year end
31-03-2023	100	400
31-03-2024	110	390
31-03-2025	116	380

(iii) The borrowings of XYZ Ltd. include 10% Optionally Convertible Debentures (OCD) issued on 1st October, 2024 for ₹ 50 lakhs. These debentures are convertible into equity shares of XYZ Ltd. at the option of the holder at the end of the tenure of 5 years in the ratio of 1 : 1 i.e., each OCD will be converted to one equity share. Interest is paid annually on 31st March. The market rate for these debentures without a conversion option is 14% per annum.

(iv) The share capital of XYZ Ltd. includes 10,00,000 12% cumulative preference shares of ₹ 100 each. The Company has arrears of ₹ 2.40 crores of preference dividend as on 31st March, 2025; it includes current year arrear of ₹ 1.20 crores. The Company did not declare any dividend for equity shareholders as well as for preference shareholders for the year ended on 31st March, 2025.

On the basis of the information provided above, you are required to choose the most appropriate answer to the below mentioned questions **7** to **10** in line with the relevant Ind AS. **(4 × 2 = 8)**

7. Determine the amount of preference share dividend to be reduced from profit or loss for the year ended 31st March, 2025 to compute the basic Earnings per Share.

   (A) ₹ 1.20 crores

   (B) ₹ 2.40 crores

   (C) ₹ 3.60 crores

   (D) Nothing, as no dividend has been declared by the company

8. Determine the amount of exchange loss/gain to be recognized on 31st March, 2025 in relation to the purchase of raw material from the American Company.

   (A) ₹ 33,20,000 exchange loss

   (B) ₹ 35,00,000 exchange loss

   (C) ₹ 17,40,000 exchange loss

   (D) Nil

9. With respect to share appreciation rights, determine the balance of liability at the end of 31-03-2025 and expense for the financial year 2024 – 25.

   (A) ₹ 2,64,480 and ₹ 1,71,600 respectively

   (B) ₹ 92,880 and ₹ 72,880 respectively

   (C) ₹ 2,64,480 and ₹ 92,880 respectively

   (D) ₹ 92,880 and ₹ 2,64,480 respectively

10. With respect to Optionally Convertible Debentures, determine the finance cost that should be charged to Statement of Profit or Loss as per relevant Ind AS for the year ended 31st March, 2025.

   (A) ₹ 3,01,949 (B) ₹ 6,03,897

   (C) ₹ 6,80,450 (D) ₹ 96,103

Case Study – III :

Savita Limited, a public listed company, is engaged in various types of manufacturing and retail activities. It is also engaged in the real estate business. You are provided with the following information :

(i) Savita Limited had the following closing stock of raw material as on 31-03-2025 :

Item	Quantity (No.)	Cost (₹ per pc)	Estimated Selling Price (₹ per pc)	Selling Cost (₹ per pc)
Wooden Boards	1000	88	110	5
Iron rods	300	458	495	46

(ii) On 1st June, 2022, Savita Ltd. purchased land at Kota for ₹ 1,45,60,000 whose future use was not determined. It remained vacant for more than two years. On 30th September, 2024, the fair value of the property was ₹ 1,60,80,000 and on the same date Savita Ltd. began to convert the property into twenty separate flats of equal size which it intended to sell in the ordinary course of its business. Savita Ltd. spent a total of ₹ 1,82,68,000 on this conversion project till 31st March, 2025. The project was incomplete as on 31st March, 2025, and it was estimated that Savita Ltd. need to spend further ₹ 94,00,000 to complete the project, after which each flat could be sold for ₹ 20,00,000.

(iii) Savita Ltd. developed a new drug that was in the final phase of clinical trials. Beta Ltd. had an equity investment in Savita Ltd's shares. Beta Ltd. determined that the shares had a readily determinable fair value and accounted for the investment at fair value through profit and loss. On 31st March, 2025, the drug approval authority notified Savita Ltd's management that the drug was not approved. Savita Ltd's share closed at ₹ 112 on 31st March, 2025. Savita Ltd. issued a press release after markets closed on 31st March, 2025 announcing the failed clinical trial. Savita Ltd's share opened on the next working day at ₹ 85.

(iv) Omega Ltd is one of the associate companies of Savita Ltd. Omega Ltd. provided you with the following information for the year ended 31st March, 2025 :

Particulars	₹ Crores
Net Profit after taxes	93.4
Decrease in accounts receivables	42.5
Depreciation	24.9
Increase in inventory	31.3
Increase in accounts payable	12.7
Decrease in wages payable	5.7
Increase in deferred tax asset	1.5
Tax paid	21.8
Profit from sale of land	3.4
Sale of land	85.2

On the basis of the information provided above, you are required to choose the most appropriate answer to the below mentioned questions **11** to **15** in line with the relevant Ind AS.

(5 × 2 = 10)

11. **Assertion (I) :** Beta Ltd. will record the share at ₹ 85 and disclose the investment as Level 2 measurement as per Ind AS 113 as on 31st March 2025.

Reason (II) : Level 2 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

(A) Both (I) & (II) are true but (II) is not the correct explanation of (I).

(B) Both (I) & (II) are true and (II) is the correct explanation of (I).

(C) (I) is true but (II) is false.

(D) (I) is false but (II) is true.

12. Omega Ltd's Cash flow from Operations for financial year 2024 – 25 is :

(A) ₹ 216.8 Crores
(B) ₹ 135.0 Crores
(C) ₹ 131.6 Crores
(D) ₹ 109.8 Crores

13. The value of closing inventory of raw material as on 31st March, 2025 is :

(A) ₹ 2,39,700
(B) ₹ 2,22,700
(C) ₹ 2,25,400
(D) ₹ 2,41,500

14. What is the classification of land at Kota as on 31st March 2024 ?

(A) Investment Property
(B) Property, Plant & Equipment
(C) Inventory
(D) Not required to be disclosed in Books

15. Compute the value of flats to be disclosed in the financial statements for the year ended 31st March, 2025.

(A) ₹ 3,28,28,000
(B) ₹ 3,43,48,000
(C) ₹ 3,06,00,000
(D) ₹ 4,22,28,000