

EDITORIAL BOARD

President and Editor-in-Chief

CA. Naveen N. D. Gupta, New Delhi

Vice President

CA. Prafulla Premsukh Chhajed, Mumbai

Chairman and Editor

CA. Dhinal A. Shah, Ahmedabad

Vice-Chairman

CA. Vijay Kumar Gupta, Faridabad

Members

CA. Atul Kumar Gupta, New Delhi

CA. Babu Abraham Kallivayalil, Kochi

CA. (Dr.) Debashis Mitra, Kolkata

CA. Dhiraj Kumar Khandelwal, Mumbai

CA. Kemisha Soni, Indore

CA. K. Sripriya, Chennai

CA. Madhukar Narayan Hiregange, Bangalore

CA. Manu Agrawal, Kanpur

CA. Mangesh Pandurang Kinare, Mumbai

CA. M. Devaraja Reddy, Hyderabad

CA. M. P. Vijay Kumar, Chennai

CA. Mukesh Singh Kushwah, Ghaziabad

CA. Prakash Sharma, Jaipur

CA. Rajesh Sharma, New Delhi

CA. Ranjeet Kumar Agarwal, Kolkata

CA. Sanjiv Kumar Chaudhary, New Delhi

CA. Sushil Kumar Goyal, Kolkata

Dr. P.C. Jain, New Delhi

Shri Vijay Jhalani, New Delhi

Co-Opted Members

CA. Ashwani Kumar Jindal

CA. Brijen Sampat

CA. Pankaj Gupta

CA. Retna Kumaran A

CA. R.N. Singh

CA. Vilas Paranjape

CA. Viral Kiran Mehta

Director- Board of Studies

CA. Vandana D. Nagpal

Editorial Support

K. Sudhakaran, Assistant Director

Dr. Ruchi Gupta, Assistant Secretary

Office

Board of Studies

The Institute of Chartered

Accountants of India, ICAI Bhawan, A-29,
Sector-62, Noida-201 309.

Phone : 0120-3045938

HEAD OFFICE

The Institute of Chartered Accountants
of India, ICAI Bhawan, Indraprastha
Marg, New Delhi-110 104.

Cover Image Courtesy: www.shutterstock.com
Inside image: www.shutterstock.com

INSIDE

03 President's Communication

04 Vice-President's Communication

05 Chairman's Communication

06 Advanced Accounting

32 Finance Update

33 Important Announcement

36 Crossword

SWACHH BHARAT - A STEP TOWARDS CLEANLINESS

ANNUAL SUBSCRIPTION RATES

CA Students	Members and Others	Overseas
₹200	₹500	US \$ 100

Total Circulation: 3,57,166

Check your Address: All students should check their mailing address printed on back cover. In case, there is any change or the PIN Code (Postal Index Code) is either missing or is incorrect, kindly inform immediately the concerned Regional Office, giving full particulars of your address alongwith correct PIN Code. This would enable us to ensure regular and prompt delivery of the Journal.

Correspondence with regard to subscription, advertising and writing articles

Email: writesj@icai.in

Non-receipt of Students' Journal

Email: nosj@icai.in

EDITOR: CA. Dhinal A. Shah

Printed and published by CA. Vandana D. Nagpal, on behalf of The Institute of Chartered Accountants of India, New Delhi.

PUBLISHED at the Institute's Office at Indraprastha Marg, New Delhi and printed at Spenta Multimedia Pvt. Ltd., Plot 15,16 & 21/1, Village Chikhholi, Morivali, MIDC, Ambarnath (West), Dist. Thane

The views and opinions expressed or implied in THE CHARTERED ACCOUNTANT STUDENT are those of the authors and do not necessarily reflect those of ICAI. Unsolicited articles and transparencies are sent at the owner's risk and the publisher accepts no liability for loss or damage. Material in this publication may not be reproduced, whether in part or in whole, without the consent of ICAI.

DISCLAIMER: The ICAI is not in any way responsible for the result of any action taken on the basis of the advertisement published in the Journal.

|| PRESIDENT'S COMMUNICATION



Dear Students,

I convey my best wishes to all the students appearing in the May 2018 examinations. I sincerely hope that you all will perform well and bring laurels to your family as well as to the institute. I am sure, you must have utilized the learning resources and publications provided by the ICAI, for exam preparation and also undertaken the mock test papers for self-assessment. With a sound strategy, skillful execution, indomitable spirit and unflinching commitment towards your goal, you are bound to achieve success and make it to the league of young Chartered Accountants, who are ever ready to take up challenging assignments both in industry and in practice.

3 Ps for Exams: Preparation, Priority, Presentation

As you are already neck deep into studies, busy revisiting and revising important concepts, **preparation** for the d-day is important. I suggest you pay an advance visit to the exam centre to ascertain the travelling time, traffic and distance. It is pertinent to reinforce that utilizing your time effectively, especially during the examination is crucial for your success. You must utilize the initial reading time to set your **priority**, the order in which you would answer the questions. Apportion your time prudently according to the weightage and complexity of the question, utilizing some time in planning and structuring your answers before you start to pen your answers. Remember, **presentation** is most important and you must present your answers articulately to maximize your score. Enumerate the points to enhance the readability of your answers. Write neatly and legibly, explaining the concept with clarity, precision and coherence, highlighting important terms and keywords. Incorporate illustrations and examples, wherever necessary. Do not let stress get the better of you. Focus your energies on your strengths to bring out the best in you. This will help to elevate your confidence, setting the momentum for the current paper as well as forthcoming papers. After each exam, you must relax for a while to rejuvenate your mind and body to prepare for the subsequent exam.

Campus Placements

It is a matter of pride for all of us that our esteemed Institute is becoming a popular destination amongst the reputed organizations looking for confident, committed and competent entry-level professionals through campus

recruitment in taxation, audit and other financial profiles. You would be pleased to know that in the recently concluded **Campus Placement Programme** organized in **February-March 2018** across the country, 130 organisations participated with their 221 interview panels and 1472 candidates got the job offers. Highest salary (cost to company) offered in the domestic posting category was ₹ 22.30 lakh per annum, with average salary (cost to company) offered was ₹ 8.40 lakh per annum.

3 Ps for Life: Patience, Perseverance, Passion

In your pursuit to achieve your academic, personal and professional goals, you invest several years working incessantly at a nerve-wrecking pace to find your worthy place in society as a responsible citizen and in industry as a professional. Little do you realize that the **education gained thus far just trains you to make a good living but not for a good life.**

You must realize that training to make a good life means being conscious about your inner self, finding greater purpose of your life, true success, fulfillment and eternal happiness. This would happen when you will start accepting your life as it is. People when realize that **everything in life happens according to their time and their clock**, they have the courage and **patience** to tread ahead on the chosen path. Nothing is too early or too late in life. You will have to work in your time zone to achieve your goals. In this incredible journey called **life** you will have to constantly discover the hidden dimensions of your persona, pursuing your **passion** with utmost allegiance and **perseverance**, not restricting yourself to the stereotypes and conventions imposed by your social milieu. One of the greatest scientist, Albert Einstein, once said: **"Not everything that counts can be counted and not everything that is counted truly counts"**. You should create a meaningful and purposeful life for yourself, to make a difference in the lives of others. And that will be your true success. Do not benchmark your life by the standards **set by others. Set your own standards and surpass your own benchmarks.**

You must stay positive, motivated and focused. Have faith in your capabilities. Strengthen your strengths and overcome your shortcomings by consistently working on them. Concentrate on your studies with determination and commitment to your goals without worrying about the result. Self-discipline, perseverance and persistence are the keys to success. Keep treading the path that you have chosen and never lose sight of your goals. Strive to become a **winner** in life. Be positive and cheerful while working on your goals. Remember, winning is a mindset; it is a way of life. As a famous motivator remarked: **"Winners don't do different things, they do things differently"**. So chart your own success story and unleash the winner within!

Yours Sincerely,

CA. NAVEEN N. D. GUPTA
PRESIDENT, ICAI, NEW DELHI

VICE PRESIDENT'S COMMUNICATION ||



Dear Students,

I take this opportunity to extend my best wishes to all of you for your forthcoming CA Examinations, which is scheduled to be held in May 2018. I am confident that your strenuous and persistent efforts will lead you to

the path of glorious victory. If you have put your best efforts with utmost sincerity in your preparations, it will definitely reward you in a befitting manner. A thorough preparation of your subjects will help you to secure good marks. Along with subject preparation, students undertaking practical training seriously will definitely do well. Above all, you should take maximum advantage of the educational inputs such as study material, revision test papers, suggested answers and other supplementary study materials developed by the Board of Studies on a regular basis. If you find any difficulty in understanding the materials or clear your genuine doubts, you can always address the Board of Studies. The BoS faculties will answer your queries and assist you in clearing your doubts.

As soon as you are through with your examinations you need to take a decision on which direction, you want to take your professional life. You have to choose your career path according to your interest and aptitude. First of all, you need to carefully develop a specialist in you by acquiring in-depth knowledge, undertaking deeper study, having practical outlook and a committed focus on the area of your interest. You should see your qualification as only the starting point and not as the end for your professional education and development. In this highly competitive era, you should be capable enough to market yourself very effectively. Need of the Industry is changing, technology is changing and you should always remain adaptive to the changes. Develop strong communication and technology skills, use every opportunity to broaden and extend your knowledge. You all should combine your technical skills and strategic vision to contribute effectively to the new range of performance measures and the contemporary demand of the stakeholders.

Yours sincerely,

CA. PRAFULLA P. CHHAJED
VICE PRESIDENT, ICAI, NEW DELHI

Election to the Managing Committee of WICASA

The Annual General Meeting (AGM) of Members of the Western India Chartered Accountants Students' Association (WICASA) will be held on Sunday, the 3rd June, 2018 at 05.P.M at Khimji Kuvarji Vikamsey auditorium of the Institute of Chartered Accountants of India, ICAI Tower, Plot No. C-40, G-Block, Opp. MCA Ground, Bandra- Kurla Complex, Bandra (East) Mumbai- 400 051.

Elections to the Managing Committee of the Association for the year 2018-19 would also be held from 10.00 A.M to 2.00 P.M on the same day. For details, students may visit: www.wirc-icai.org

ICAI Mobile App

The ICAI has developed a mobile app "ICAI Now" that empowers the members, students and other stakeholders to remain updated on important announcements and various other initiatives of the Institute. Students are advised to download the freely accessible app on their mobile phones from the link <https://www.icai.org/mobile/>.

Director, Board of Studies



Dear Students,

The May examinations are round the corner. My best wishes to all the students who are appearing in the examinations. I sincerely hope that all of you will do well in the examination. In the recent examinations, the pass percentage has shown a rising trend. I wish in this examination also, larger number of students pass. I know that the stress level on all of you before and after the examinations will be on the higher side. But you should not allow this to be an obstacle for you to become successful. If you have done your preparations with utmost devotion, dedication and sincerity, I am sure that your hard work will earn you good results. Your methodical and systematic study combined with careful planning and strategy will definitely help you to reach heights. Just remember, there is no substitute for hard work and labour.

As you all know that Chartered Accountancy as a profession and as an academic course involves a great amount of hard work. It does not stop on clearing the CA final. It is a continuous education process in the fast changing world. The expectation of the industry from a qualified Chartered Accountant is increasing day by day. To meet these expectations, one should have expert level of knowledge. Students should not appear for the examination with a pre-conceived notion that these are the toughest and impossible to clear. Nor should these examinations be taken lightly. CA, like any other professional examinations require a great deal of dedication and commitment. Chartered Accountancy course is a rigorous one and hence, it requires dedicated efforts on the part of students. Many students are not able to get better results because they cannot cope up with the time. If you can manage your time properly, you can have the best results. I would

like to suggest a few tips that you should keep in mind while in the exam hall. Read all the instructions and follow them. Give a quick reading of the question paper. Attempt those questions on which you have a sound knowledge. Come back to those questions, which you are not comfortable with, later on. This will help you to save time. Have confidence in yourself.

I am happy to say that a large number of students have participated in the Mock Tests organized by the Board of Studies through the Regional Councils and Branches across the country. This will greatly benefit the students appearing for the May 2018 Examination.

There are students who do not realize their true potential. Most of them are very happy with whatever they are able to achieve. With the fast changing scenario, it has become very essential for the students to get good results and excel. You should also be very clear about what you intend to achieve in your life. You should have a high degree of self-confidence to achieve your goals in life. **Swami Vivekananda said, "We are responsible for what we are, and whatever we wish ourselves to be, we have the power to make ourselves. If what we are now has been the result of our own past actions, it certainly follows that whatever we wish to be in future can be produced by our present actions; so we have to know how to act."**

Stay focused on your desires. If you remain focused, you never lose your desire and passion to obtain which you seek. Once your examinations are over, take a brief break to avoid monotony and rejuvenate your mind. You should also learn how you can utilize your idle time in a productive manner.

Before I wind up this message, once again I wish you all good luck for your examinations. Keep your mind strong, goals firm so that you can deliver the best.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Dhinal A. Shah'.

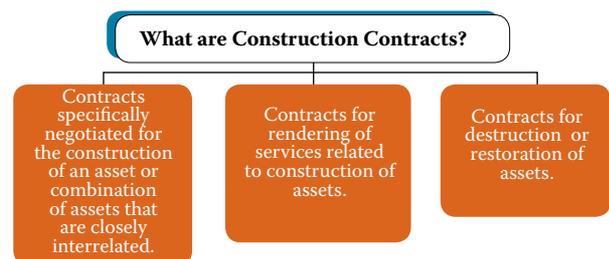
CA. DHINAL A. SHAH
CHAIRMAN, BOARD OF STUDIES, ICAI

A CAPSULE ON ACCOUNTING STANDARDS FOR QUICK RECAP

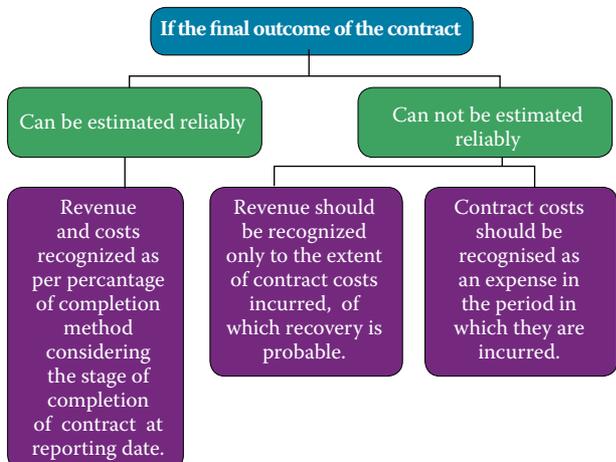
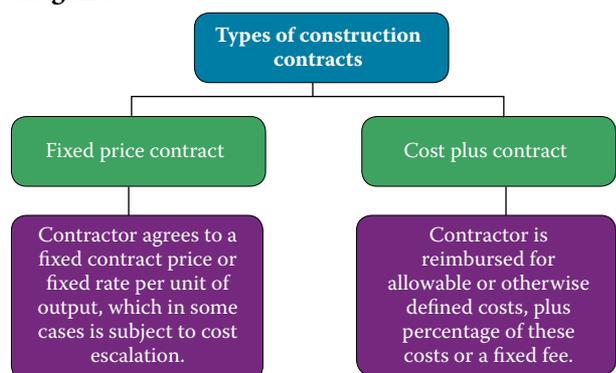
It has always been the endeavour of Board of Studies to provide quality academic inputs to the students. Considering this objective in mind, it has been decided to bring forth a crisp and concise capsule for the topic on Accounting Standards covered in Intermediate Paper 5 “Advanced Accounting”. The significant provisions of AS 7, AS 9, AS 14, AS 18, AS 19, AS 20, AS 24, AS 26 and AS 29 have been gathered and presented through pictorial presentations in this capsule which will help the students in grasping the intricate practical aspects of each Accounting Standard. Although, the capsule has been prepared keeping in view the new and revised scheme of Education and Training of ICAI, the students of earlier scheme may also be benefitted from it. This capsule, though, facilitates the students in undergoing quick revision, under no circumstances, such revisions can substitute the detailed study of the material provided by the Board of Studies.

AS 7 “CONSTRUCTION CONTRACTS”

AS 7 prescribes the principles of accounting for construction contracts in the financial statements of contractors. The focus of the standard is on allocation of contract revenue and contract costs to the accounting periods in which construction work is performed.

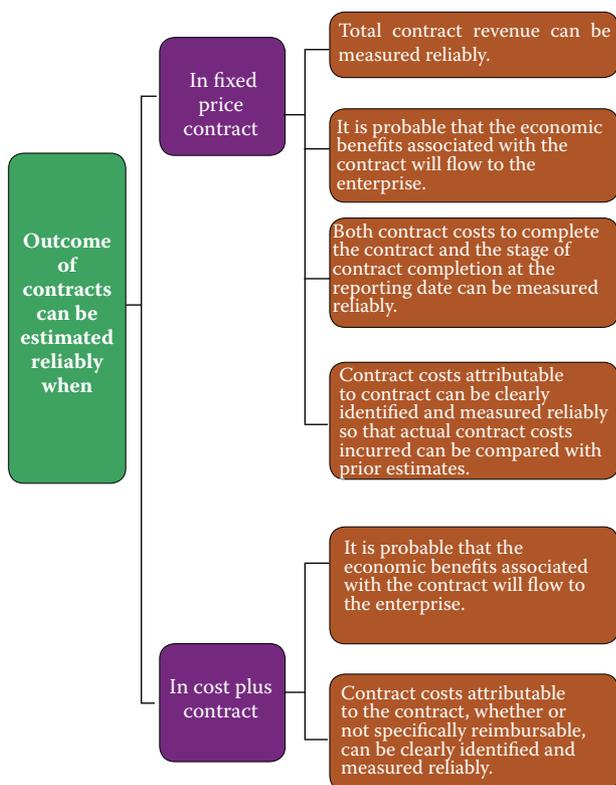


Construction contracts can be classified into two categories.



Note: Any expected loss (when contract cost > contract revenue) on the construction contract should be recognised as an expense immediately in both the situations.

AS 7 prescribes conditions under which the outcome of a contract can be estimated reliably.



Methods for Determination of Stage of Completion of Contracts

Determination of Stage of Completion (Method to be chosen depending on the nature of the contract)		
Proportion that contract costs incurred for work performed upto the reporting date bear to the estimated total contract costs	Surveys of work performed	Completion of a physical proportion of the contract work

As per the standard, Contract revenue and Contract costs comprise of the following:

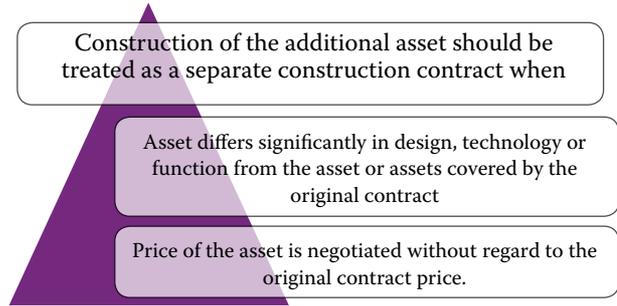
Contract Revenue	
Initial amount of revenue agreed in the contract.	Variations in contract work, claims and incentive payments if (i) it is probable that they will result in revenue. (ii) they are capable of being reliably measured.

Contract Costs		
Costs that relate directly to the specific contract.	Costs that are attributable to contract activity in general and can be allocated to the contract.	Such other costs as are specifically chargeable to the customer under the terms of the contract.

Changes in Estimates

- Application of percentage of completion on a cumulative basis in each accounting period to the current estimates of contract revenue and contract costs.
- Effect of a change in the estimate of contract revenue or contract costs, or the effect of a change in the estimate of the outcome of a contract, is accounted for as a change in accounting estimate.
- The changed estimates are used in determination of the amount of revenue and expenses recognised in the statement of profit and loss in the period in which the change is made and in subsequent periods.

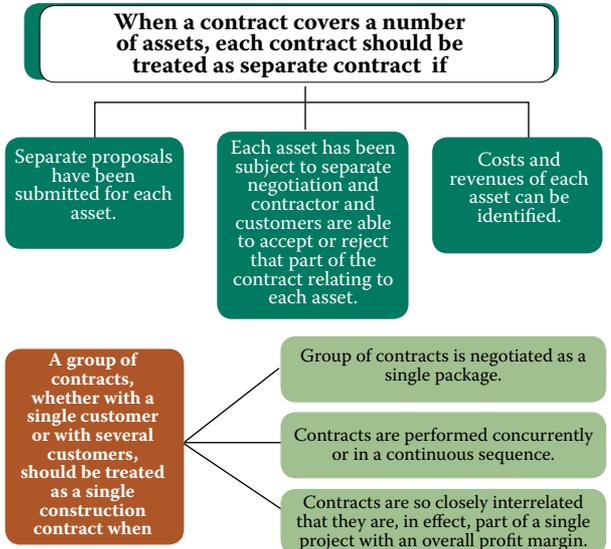
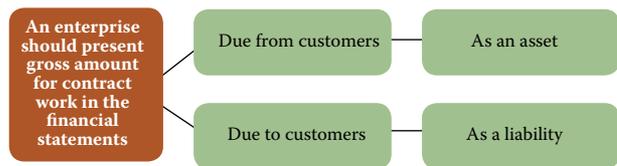
A contract may provide for the construction of an additional asset at the option of the customer or may be amended to include the construction of an additional asset.



Disclosures in Financial Statements

General	Specific for contracts in progress
Amount of contract revenue recognised as revenue in the period	Amount of advances received
Methods used to determine the stage of completion of contracts in progress	Amount of retentions

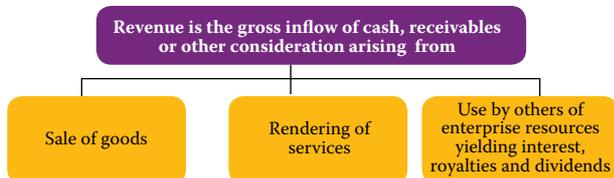
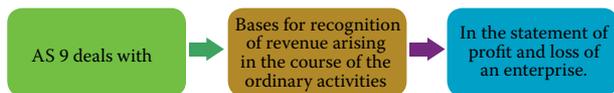
Retentions are the amounts of progress billings which are not paid until the satisfaction of conditions specified in the contract for the payment of such amounts or until defects have been rectified.



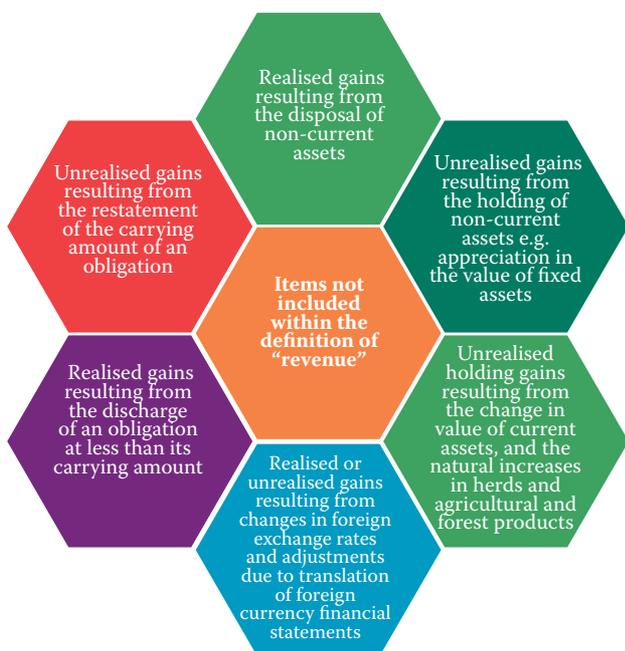
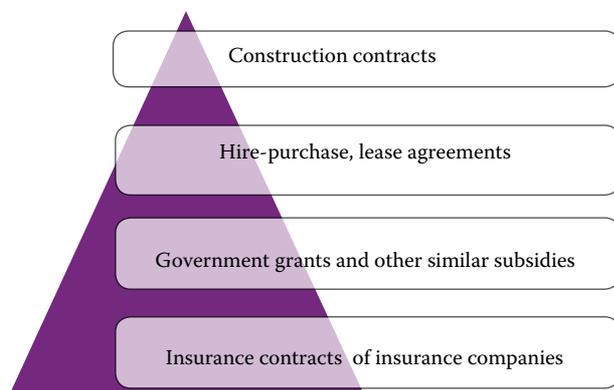
ADVANCED ACCOUNTING ||

AS 9 "REVENUE RECOGNITION"

AS 9 explains the timing for recognition of revenue in the financial statements and also state the circumstances under which revenue recognition should be postponed.

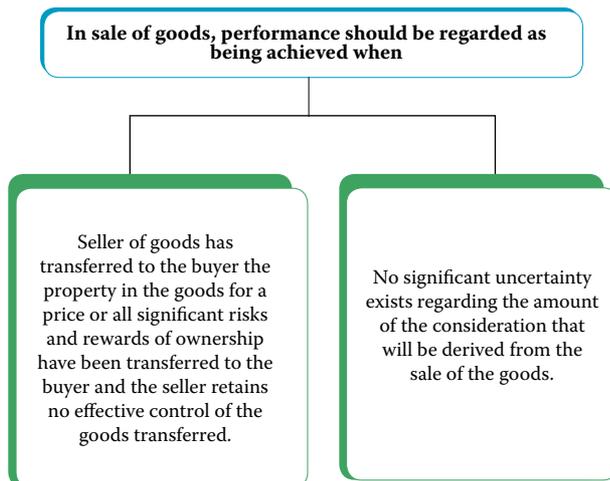


AS 9 does not deal with revenue arising from



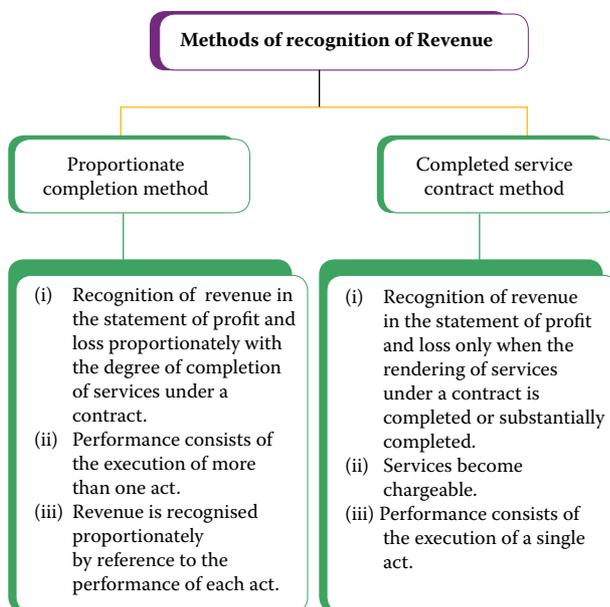
Sale of Goods

Revenue from sale of goods should be recognised when the requirements as to performance as set out in the standard are satisfied.



Rendering of Services

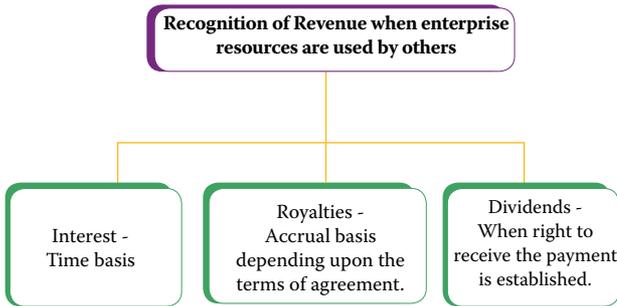
Revenue from service transactions is usually recognised as the service is performed.



Note: Revenue from Sale of goods "for consideration" and Service transactions should be recognized only when no significant uncertainty exists regarding amount of consideration.

Use of Enterprise Resources by Other Parties

Use of enterprise resources by others may yield revenue in the form of Interest, Royalties and Dividends.



Effect of Uncertainties on Revenue Recognition

Where the ability to assess the ultimate collection with reasonable certainty is lacking at the time of raising any claim, revenue recognition is postponed to the extent of uncertainty involved. When the uncertainty relating to collectability arises subsequent to the time of sale or the rendering of the service, it is more appropriate to make a separate provision to reflect the uncertainty rather than to adjust the amount of revenue originally recorded.

Disclosures

In addition to the disclosures required by AS 1 "Disclosure of Accounting Policies", an enterprise should disclose the circumstances in which revenue recognition has been postponed pending the resolution of significant uncertainties.

AS 14 "ACCOUNTING FOR AMALGAMATIONS"

AS 14 (Revised) deals with the accounting to be made in the books of Transferee company in the case of amalgamation and the treatment of any resultant goodwill or reserve.

Objective

Accounting for amalgamations

Treatment of any resultant goodwill or reserves

Disclosures

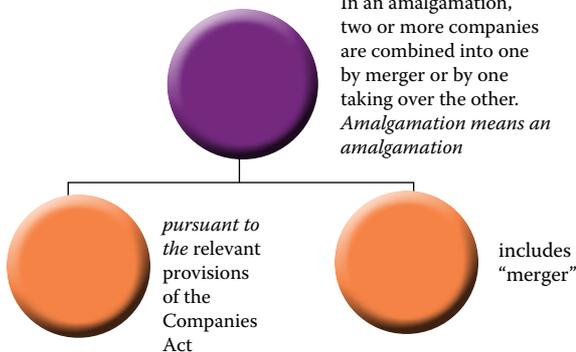
Scope

This standard deals with Accounting for Amalgamation i.e. acquisition of one entity by the other and the acquired entity ceased to exist

The standard does not deal with cases of acquisitions where one entity is acquired by the other and the acquired entity continues to exist.

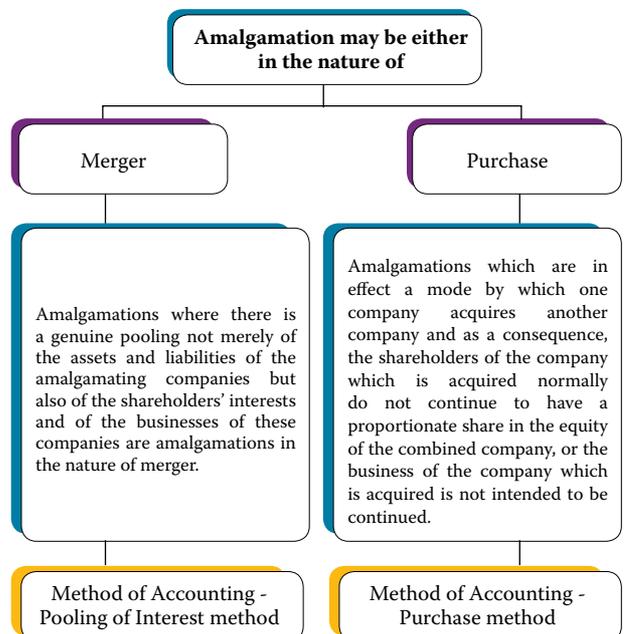
Key Terms

Meaning of Amalgamations



Transferor company	Company which is amalgamated into another company.
Transferee company	Company into which a transferor company is amalgamated.
Reserve	Portion of earnings, receipts or other surplus of an enterprise (whether capital or revenue) appropriated by the management for a general or a specific purpose other than a provision for depreciation or diminution in the value of assets or for a known liability.
Consideration for the amalgamation	Aggregate of the shares and other securities issued and the payment made in the form of cash or other assets by the transferee company to the shareholders of the transferor company.
Fair value	Amount for which an asset could be exchanged between a knowledgeable, willing buyer and a knowledgeable, willing seller in an arm's length transaction.

Types of Amalgamations and Methods of Accounting



ADVANCED ACCOUNTING ||

The standard specifies the conditions to be satisfied by an amalgamation to be considered as amalgamation in nature of merger or purchase.

Conditions for Amalgamation in the nature of Merger and Purchase

Amalgamation in the nature of merger is an amalgamation which satisfies all the following conditions:

- (i) All the assets and liabilities of the transferor company become, after amalgamation, the assets and liabilities of the transferee company.
- (ii) Shareholders holding not less than 90% of the face value of the equity shares of the transferor company (other than the equity shares already held therein, immediately before amalgamation, by the transferee company or its subsidiaries or their nominees) become equity shareholders of the transferee company by virtue of the amalgamation.
- (iii) Consideration for the amalgamation receivable by those equity shareholders of the transferor company who agree to become equity shareholders of the transferee company is discharged by the transferee company wholly by the issue of equity shares in the transferee company, except that cash may be paid in respect of any fractional shares.
- (iv) The business of the transferor company is intended to be carried on, after the amalgamation, by the transferee company.
- (v) No adjustment is intended to be made to the book values of the assets and liabilities of the transferor company when they are incorporated in the financial statements of the transferee company except to ensure uniformity of accounting policies.

Amalgamation in the nature of purchase is an amalgamation which does not satisfy any one or more of the conditions specified above.

Methods of Accounting

Purchase Method

Under the purchase method, the transferee company accounts for the amalgamation either

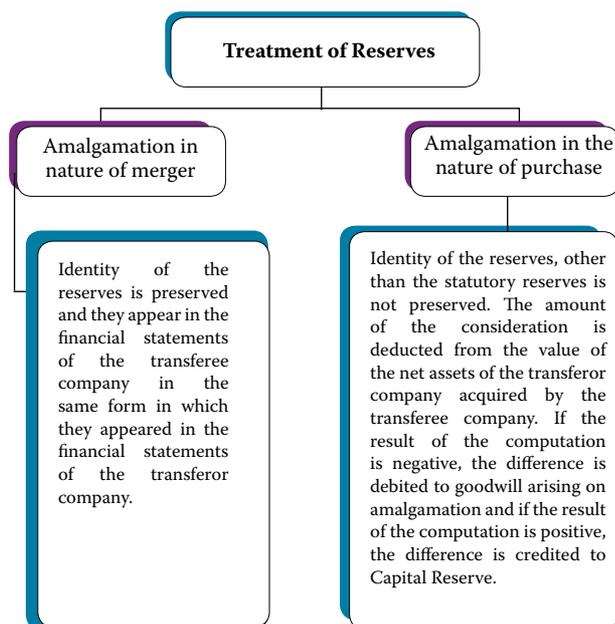
- By incorporating the assets and liabilities at their existing carrying amounts or
- By allocating the consideration to individual identifiable assets and liabilities of the transferor company on the basis of their fair values at the date of amalgamation.

Pooling of Interests Method

Pooling of interests is a method of accounting for amalgamations, the object of which is to account for the amalgamation as if the separate businesses of the amalgamating companies were intended to be continued by the transferee company.

- 1 Assets, liabilities and reserves of the transferor company to be recorded by the transferee company at existing carrying amounts and in the same form as at the date of the amalgamation.
- 2 If the transferor and the transferee companies have conflicting accounting policies, a uniform set of accounting policies should be adopted following the amalgamation.
- 3 The difference between the amount of share capital issued (plus any additional consideration in the form of cash or other assets) and the amount of share capital of the transferor company should be adjusted in reserves.

Treatment of Reserves of the Transferor Company on Amalgamation



Statutory Reserves

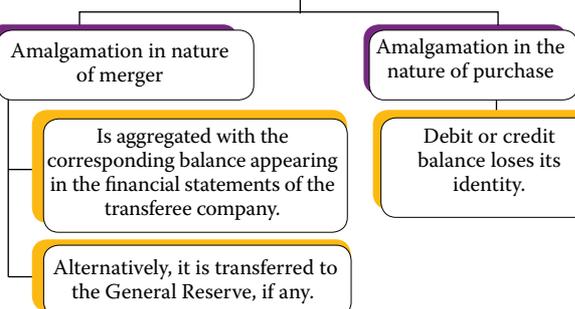
Statutory reserves retain their identity in the financial statements of the transferee company in the same form in which they appeared in the financial statements of the transferor company, so long as their identity is required to be maintained to comply with the relevant statute.

Statutory reserves are recorded in the financial statements of the transferee company by a corresponding debit to a suitable account head (e.g. 'Amalgamation Adjustment Reserve') which is presented as a separate line item under the head "Reserves and Surplus".

When the identity of the statutory reserves is no longer required to be maintained, both the reserves and the aforesaid account are reversed.

Balance of Profit and Loss Account

Balance of the Profit and Loss Account appearing in the financial statements of the transferor company



Treatment of Goodwill

Goodwill arising on amalgamation represents a payment made in anticipation of future income and it is appropriate to treat it as an asset to be amortised on a systematic basis over its useful life.

Due to the nature of goodwill, it is frequently difficult to estimate its useful life with reasonable certainty.

It is considered appropriate to amortise goodwill over a period not exceeding 5 years unless a longer period can be justified.

Disclosure Requirements

For all amalgamations, the following disclosures are considered appropriate in the first financial statements following the amalgamation:

- Names and general nature of business of the amalgamating companies;
- Effective date of amalgamation for accounting purposes;
- Method of accounting used to reflect the amalgamation; and
- Particulars of the scheme sanctioned under a statute.

For amalgamations accounted for under the pooling of interests method, the following additional disclosures are considered appropriate in the first financial statements following the amalgamation:

- Description and number of shares issued, together with the percentage of each company's equity shares exchanged to effect the amalgamation; and
- Amount of any difference between the consideration and the value of net identifiable assets acquired, and the treatment thereof.

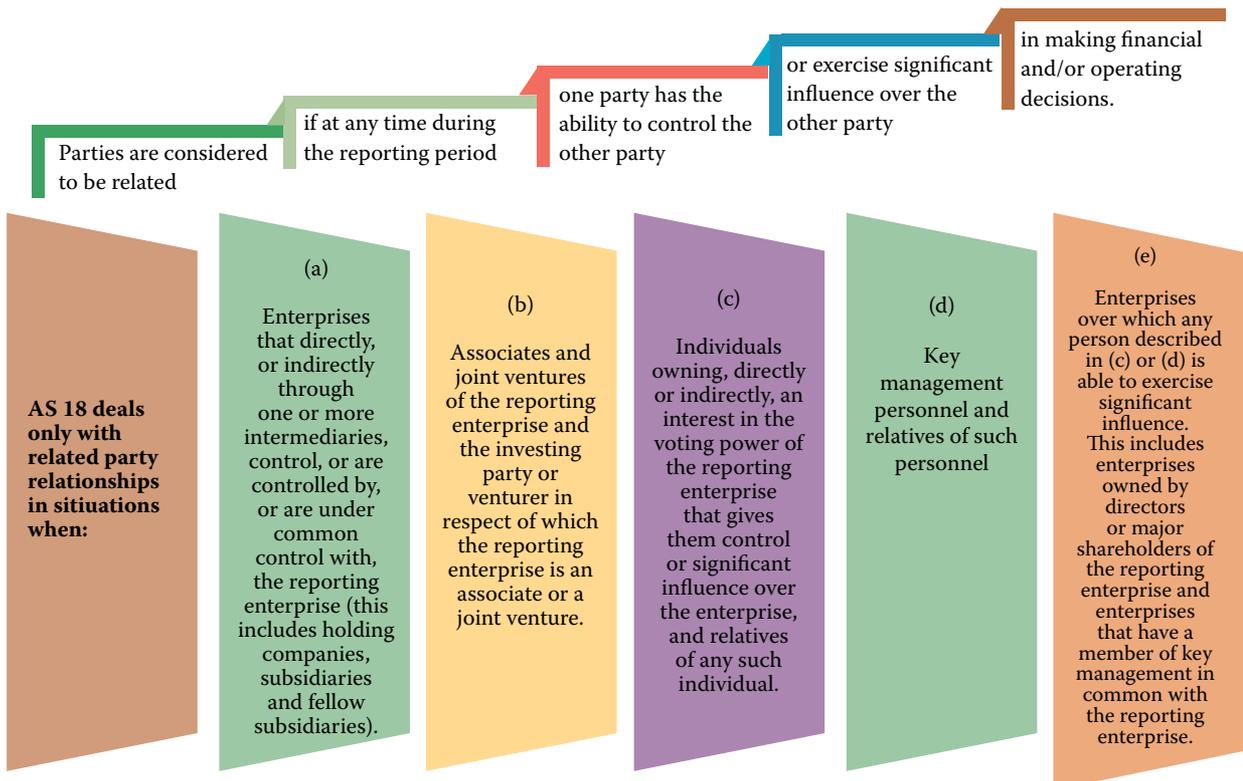
For amalgamations accounted for under the purchase method, the following additional disclosures are considered appropriate in the first financial statements following the amalgamation:

- Consideration for the amalgamation and a description of the consideration paid or contingently payable; and
- Amount of any difference between the consideration and the value of net identifiable assets acquired, and the treatment thereof including the period of amortisation of any goodwill arising on amalgamation.

AS 18 "RELATED PARTY DISCLOSURES"

AS 18 prescribes the requirements for disclosure of related party relationship and transactions between the reporting enterprise and its related parties. The requirements of the standard apply to the financial statements of each reporting enterprise as also to consolidated financial statements presented by a holding company.

Related Parties and Related Party Relationships

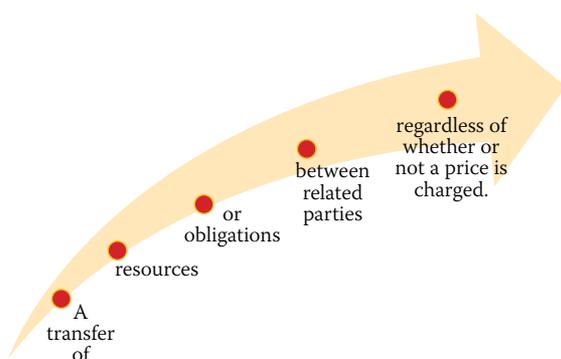


- In the context of AS 18, following are deemed not to be related parties:
 - Two companies simply because they have a director in common (unless the director is able to affect the policies of both companies in their mutual dealings).
 - A single customer, supplier, franchiser, distributor or general agent with whom an enterprise transacts a significant volume of business.
 - Providers of finance, Trade unions, Govt. agencies and public utilities in the course of their normal dealings with an enterprise.

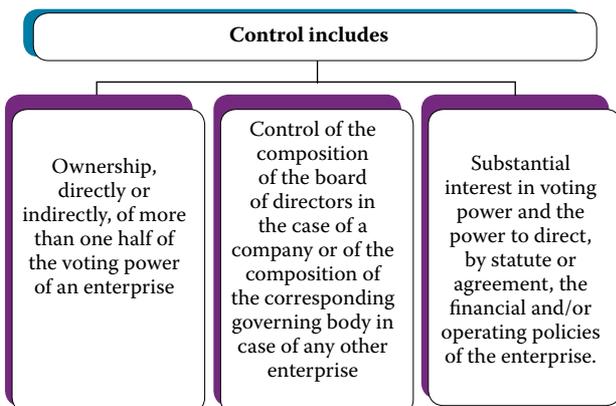
No disclosure is required in consolidated financial statements in respect of intra-group transactions.

Key Terms

Related Party Transaction



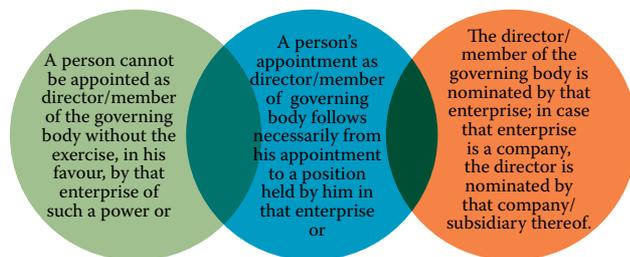
Control



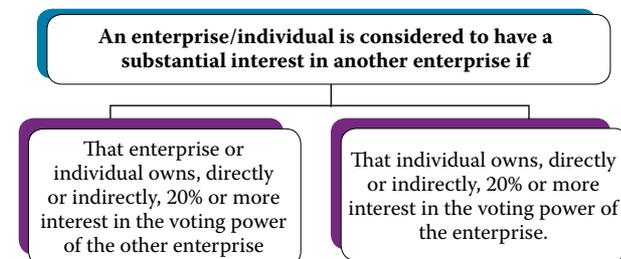
For the purpose of AS 18, an enterprise is considered to **control the composition** of the board of directors of a company or governing body of an enterprise, if it has the power, without

the consent or concurrence of any other person, to appoint or remove all or a majority of directors/members of the governing body of that company/enterprise.

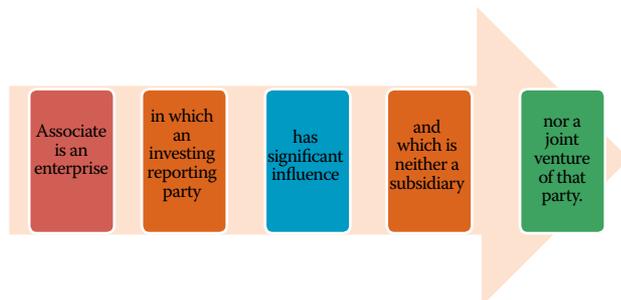
An enterprise is deemed to have the power to appoint a director/ member of the governing body, if any of the following conditions are satisfied:



Substantial Interest



Associate



Significant Influence

Significant influence is participation in the financial and/or operating policy decisions of an enterprise, but not control of those policies.

Significant influence may be gained by share ownership, statute or agreement.

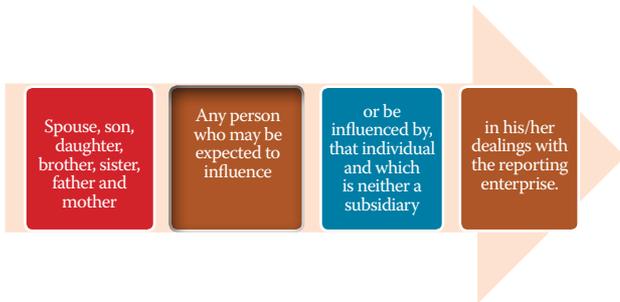
As regards share ownership, if an investing party holds, directly or indirectly, through intermediaries, 20% or more of the voting power of the enterprise, it is presumed that the investing party does have significant influence, unless it can be clearly demonstrated that this is not the case.

A substantial or majority ownership by another investing party does not necessarily preclude an investing party from having significant influence.

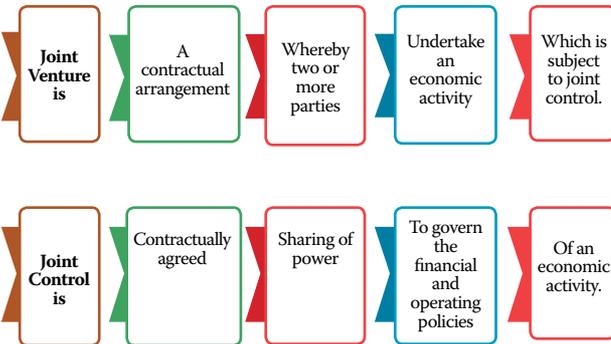
Key Management Personnels are

Those persons who have the authority and responsibility for planning, directing and controlling the activities of the reporting enterprise.

In relation to an individual, Relative means



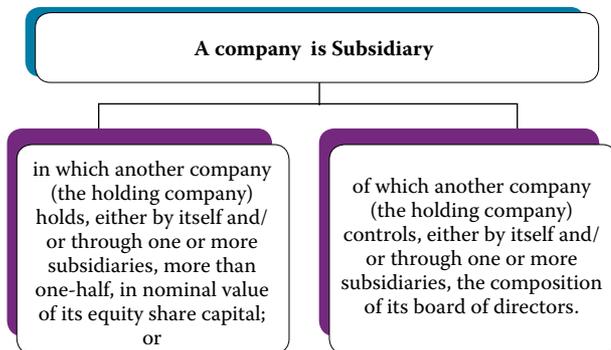
Joint Venture and Joint Control



Holding Company

A company having one or more subsidiaries is a holding company.

Subsidiary Company



Fellow Subsidiary



The Related Party Issue

Related party relationships are a normal feature of commerce and business.

Without related party disclosures, there is a general presumption that transactions reflected in financial statements are consummated on an arm's-length basis between independent parties.

The operating results and financial position of an enterprise may be affected by a related party relationship even if related party transactions do not occur.

Sometimes, transactions would not have taken place if the related party relationship had not existed.

Disclosure

Name of the related party and nature of the related party relationship where control exists should be disclosed irrespective of whether or not there have been transactions between the related parties.

If there have been transactions between related parties, during the existence of a related party relationship, the reporting enterprise should disclose the following:

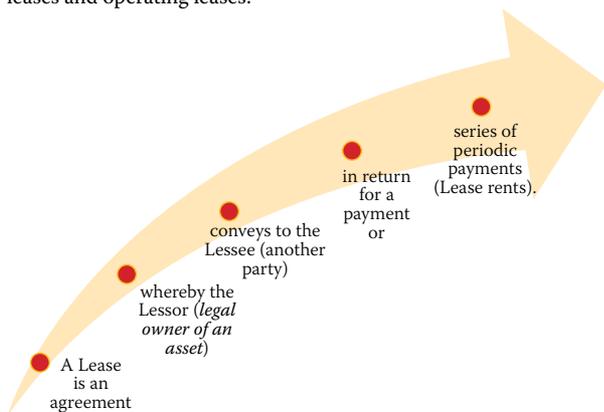
- The name of the transacting related party;
- A description of the relationship between the parties;
- A description of the nature of transactions;
- Volume of the transactions either as an amount or as an appropriate proportion;
- Any other elements of the related party transactions necessary for an understanding of the financial statements;
- Amounts or appropriate proportions of outstanding items pertaining to related parties at balance sheet date and provisions for doubtful debts due from such parties at that date;
- Amounts written off or written back in the period in respect of debts due from or to related parties.

Items of a similar nature may be disclosed in aggregate by type of related party except when separate disclosure is necessary for an understanding of the effects of related party transactions on the financial statements of the reporting enterprise.

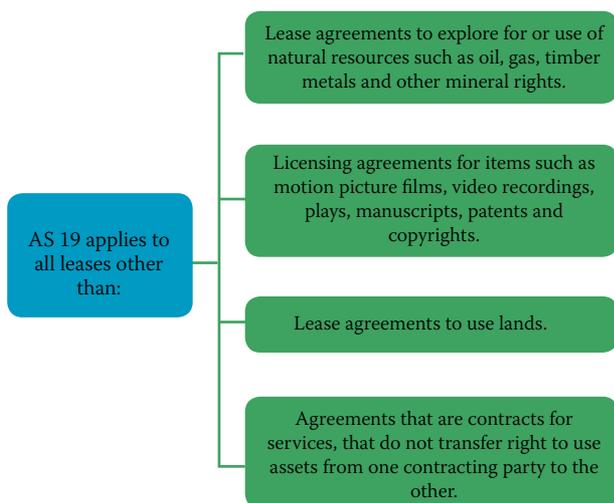
No disclosure is required in the financial statements of state-controlled enterprises as regards related party relationships with other state-controlled enterprises and transactions with such enterprises.

AS 19 "LEASES"

The objective of AS 19 is to prescribe, for lessees and lessors, the appropriate accounting policies and disclosures in relation to finance leases and operating leases.

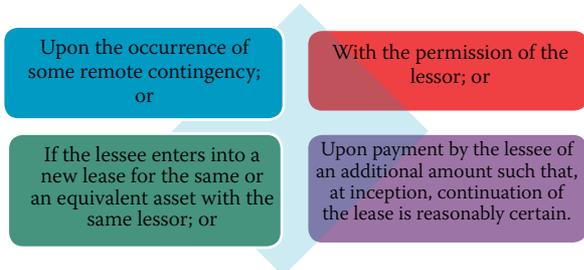


Scope



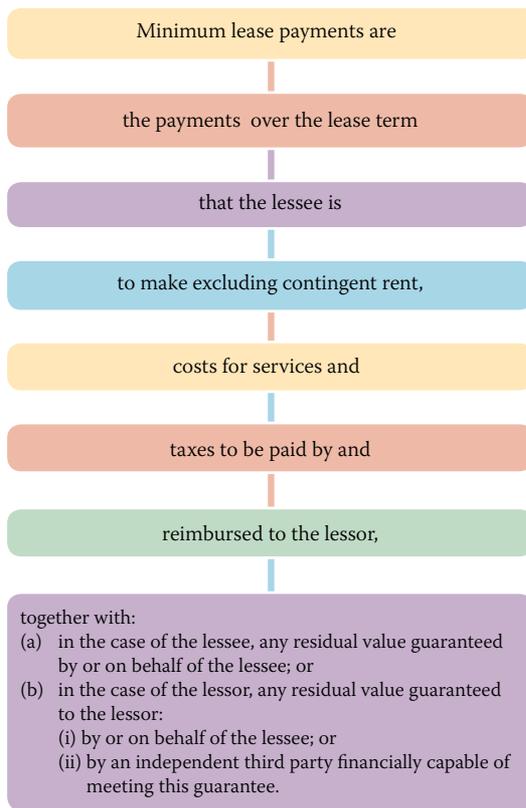
Key Terms

Non-cancellable lease is a lease that is cancellable



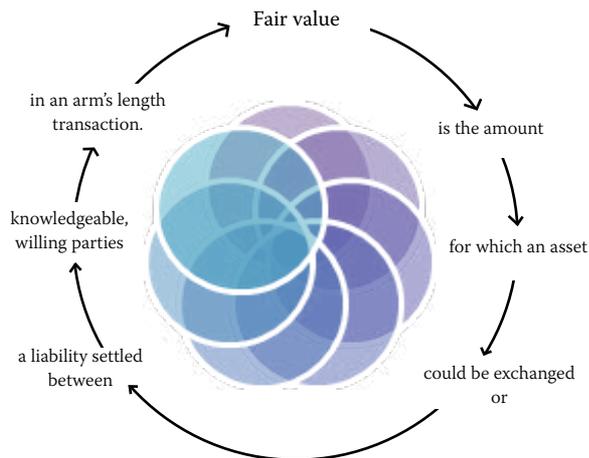
The **lease term is the non-cancellable period** for which the lessee has agreed to take on lease the asset together with any further periods for which the lessee has the option to continue the lease of the asset, with or without further payment, which option at the inception of the lease it is reasonably certain that the lessee will exercise.

Minimum Lease Payments



However, if the lessee has an option to purchase the asset at a price which is expected to be sufficiently lower than the fair value at the date the option becomes exercisable that, at the inception of the lease, is reasonably certain to be exercised, the minimum lease payments comprise minimum payments payable over the lease term and the payment required to exercise this purchase option.

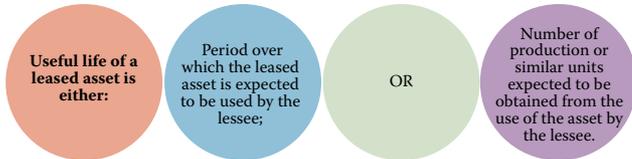
Fair Value



Economic Life



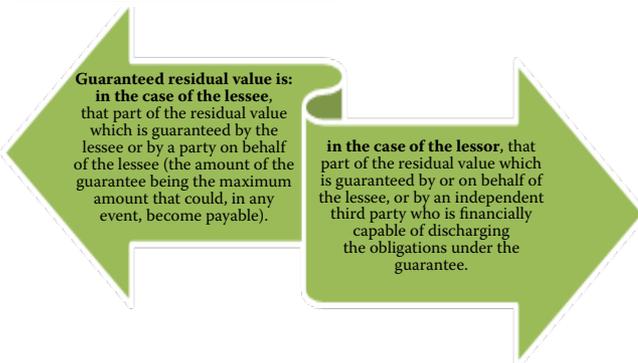
Useful Life



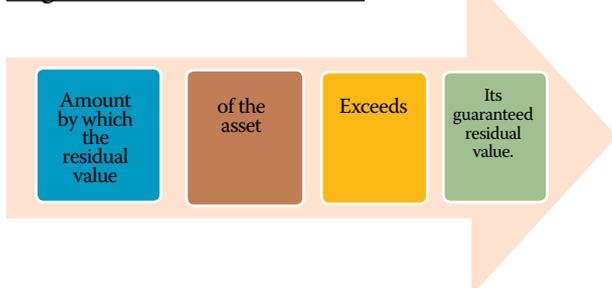
Residual Value



Guaranteed Residual Value



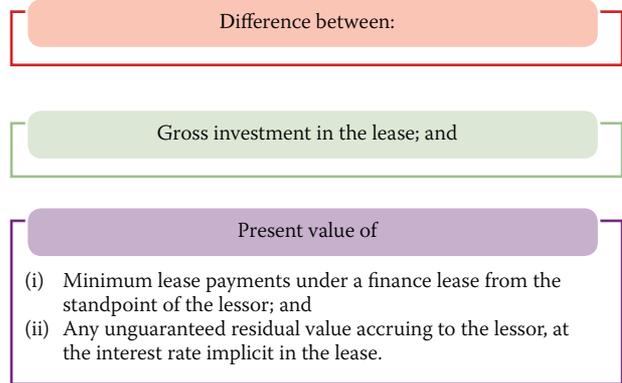
Unguaranteed Residual Value



Gross Investment

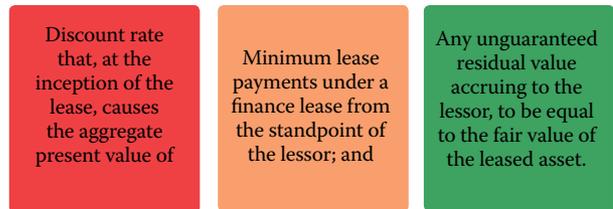


Unearned Finance Income

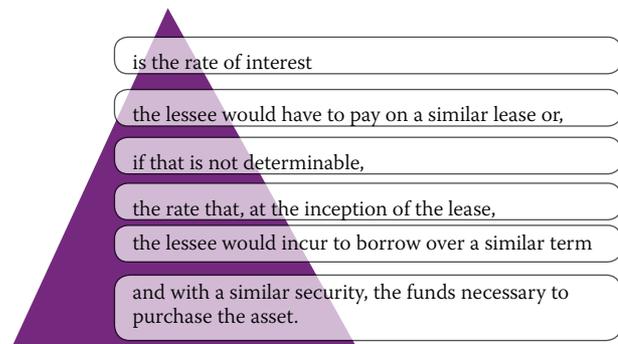


Net investment in the lease is the gross investment in the lease less unearned finance income.

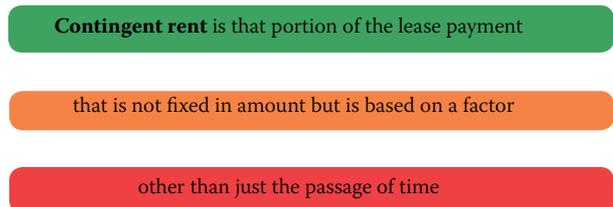
Interest rate implicit in the lease



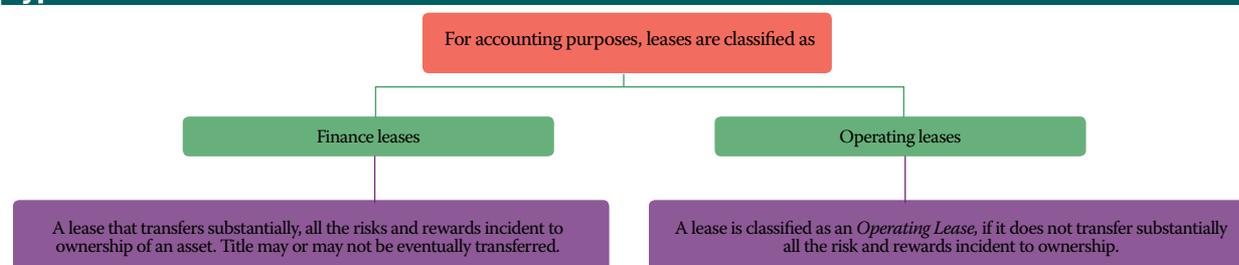
Lessee's Incremental Borrowing Rate of Interest



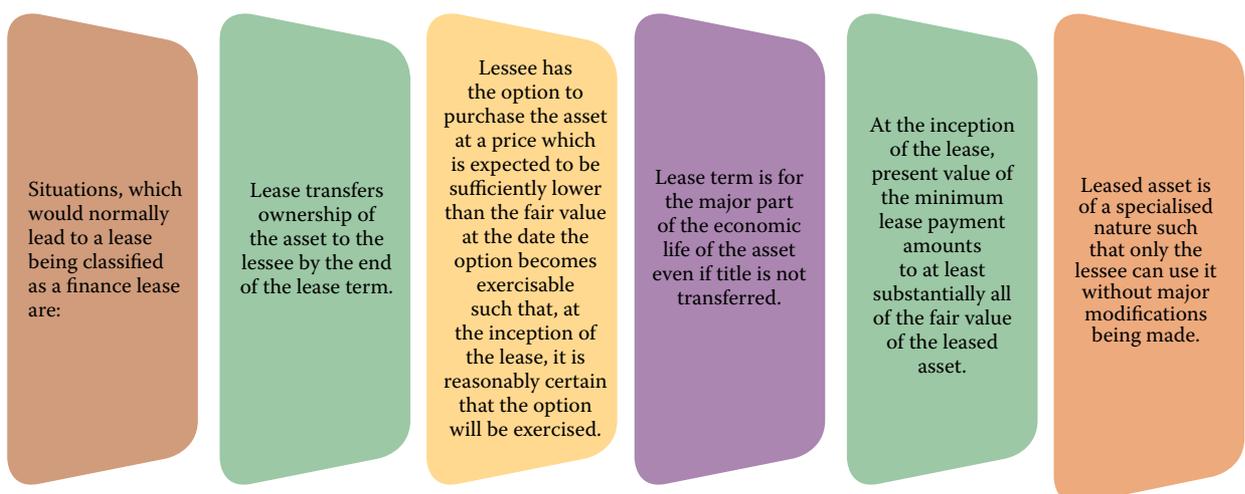
Contingent Rent



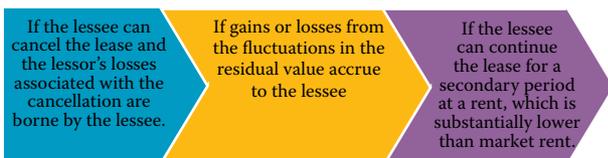
Types of Leases



Indicators of Finance Lease



Indicators of situations which individually or in combination could also lead to a lease being classified as a finance lease are:



Lease classification is made at the inception of the lease. If at any time the lessee and the lessor agree to change the provisions of the lease, other than by renewing the lease, in a manner that would have resulted in a different classification of the lease had the changed terms been in effect at the inception of the lease, the revised agreement is considered as a new agreement over its revised term.

Accounting for Finance Leases (Books of Lessee)

On the date of inception of lease, lessee should show it as an asset and corresponding liability at lower of:

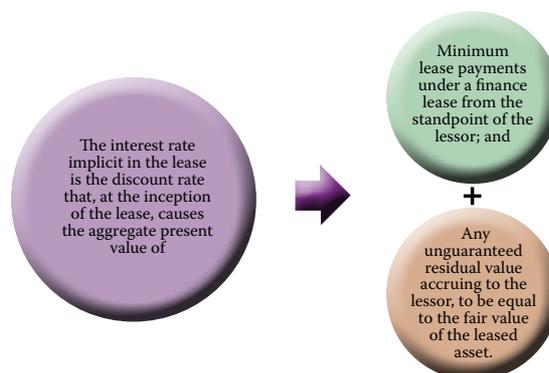
- Fair value of leased asset at the inception of the lease
- Present value of minimum lease payments from the standpoint of the lessee (present value to be calculated with discount rate equal to interest rate implicit in the lease, if this is practicable to determine; if not, the lessee's incremental borrowing rate should be used). Lease payments to be apportioned between the finance charge and the reduction of the outstanding liability.

Finance charges to be allocated to periods during the lease term so as to produce a constant rate of interest on the remaining balance of liability for each period.

A finance lease gives rise to a depreciation expense for the asset as well as a finance expense for each accounting period. The depreciation policy for a leased asset should be consistent with that for depreciable assets which are owned, and the depreciation recognised should be calculated on the basis set out in AS 10 (Revised), Property, Plant and Equipment. If there is no reasonable certainty that the lessee will obtain ownership by the end of the lease term, the asset should be fully depreciated over the lease term or its useful life, whichever is shorter.

Initial direct costs are often incurred in connection with specific leasing activities, as in negotiating and securing leasing arrangements. The costs identified as directly attributable to activities performed by the lessee for a finance lease are included as part of the amount recognised as an asset under the lease.

Computation of Interest Rate implicit on Lease (IRR)



Disclosures made by the Lessee in case of Finance Lease

The lessee should, in addition to the requirements of AS 10 (Revised) and the governing statute, make the following disclosures for finance leases:

- (a) Assets acquired under finance lease as segregated from the assets owned;
- (b) For each class of assets, the net carrying amount at the balance sheet date;
- (c) Reconciliation between the total of minimum lease payments at the balance sheet date and their present value. In addition, an enterprise should disclose the total of minimum lease payments at the balance sheet date, and their present value, for each of the following periods:
 - (i) not later than one year;
 - (ii) later than one year and not later than five years;
 - (iii) later than five years;
- (d) Contingent rents recognised as expense in the statement of profit and loss for the period;
- (e) Total of future minimum sublease payments expected to be received under non-cancelable subleases at the balance sheet date; and
- (f) General description of the lessee's significant leasing arrangements including, but not limited to, the following:
 - (i) the basis on which contingent rent payments are determined;
 - (ii) the existence and terms of renewal or purchase options and escalation clauses; and
 - (iii) restrictions imposed by lease arrangements, such as those concerning dividends, additional debt, and further leasing.

Accounting for Finance Leases (Books of Lessor)

The lessor should recognise assets given under a finance lease in its balance sheet as a receivable at an amount equal to the net investment in the lease.

In a finance lease, the lessor recognises the net investment in lease which is usually equal to fair value as receivable by debiting the Lessee A/c.

Recognition of Finance Income

The unearned finance income is recognised over the lease term based on a pattern reflecting a constant periodic return on the net investment in lease outstanding.

Initial Direct Costs

For finance leases, initial direct costs incurred to produce finance income are either recognised immediately in the statement of profit and loss or allocated against the finance income over the lease term.

Review of Unguaranteed Residual Value by Lessor

AS 19 requires a lessor to review unguaranteed residual value when computing the gross investment in lease regularly. In case any reduction in the estimated unguaranteed residual value is identified, the income allocation over the remaining lease term is to be revised. An upward adjustment of the estimated residual value is not made.

Manufacturer or Dealer Lessor

The manufacturer or dealer lessor should recognise the transaction of sale in the statement of profit and loss for the period, in accordance with the policy followed by the enterprise for outright sales.

Initial direct costs should be recognised as an expense in the statement of profit and loss at the inception of the lease.

Disclosures

The lessor should make the following disclosures for finance leases:

- (a) Reconciliation between the total gross investment in the lease at the balance sheet date, and the present value of minimum lease payments receivable at the balance sheet date. In addition, an enterprise should disclose the total gross investment in the lease and the present value of minimum lease payments receivable at the balance sheet date, for each of the following periods:
 - (i) not later than one year;
 - (ii) later than one year and not later than five years;
 - (iii) later than five years;
- (b) Unearned finance income;
- (c) Unguaranteed residual values accruing to the benefit of the lessor;
- (d) Accumulated provision for uncollectible minimum lease payments receivable;
- (e) Contingent rents recognised in the statement of profit and loss for the period;
- (f) General description of the significant leasing arrangements of the lessor;
- (g) Accounting policy adopted in respect of initial direct costs.

Accounting for Operating Leases

Accounting treatment in the Books of lessee

Lease payments under an operating lease should be recognised as an expense in the statement of profit and loss of a lessee on a straight line basis over the lease term unless another systematic basis is more representative of the time pattern of the user's benefit.

Disclosures by Lessees

Lessees are required to make following disclosures for operating leases:

(a) Total of future minimum lease payments under non-cancelable operating leases for each of the following periods:

- (i) not later than one year;
- (ii) later than one year and not later than five years;
- (iii) later than five years;

(b) Total of future minimum sublease payments expected to be received under non-cancelable subleases at the balance sheet date;

(c) Lease payments recognised in the statement of profit and loss for the period, with separate amounts for minimum lease payments and contingent rents;

(d) Sub-lease payments received (or receivable) recognised in the statement of profit and loss for the period;

(e) General description of the lessee's significant leasing arrangements including, but not limited to, the following:

- (i) the basis on which contingent rent payments are determined;
- (ii) the existence and terms of renewal or purchase options and escalation clauses; and
- (iii) restrictions imposed by lease arrangements, such as those concerning dividends, additional debt, and further leasing.

Accounting Treatment in the books of Lessor

The lessor should present an asset given under operating lease as fixed assets in its balance sheets.

Lease income from operating leases should be recognised in the statement of profit and loss on a straight line basis over the lease term, unless another systematic basis is more representative of the time pattern in which benefit derived from the use of the leased asset is diminished.

Depreciation of leased assets should be charged in books of lessor on a basis consistent with the normal depreciation policy of the lessor for similar assets.

The impairment losses on assets given on operating leases are determined and treated as per AS 28*.

Disclosures by Lessors

As per AS 19, the lessor should, in addition to the requirements of AS 10 (Revised)* and the governing statute, make the following disclosures for operating leases:

- (a) For each class of assets, the gross carrying amount, the accumulated depreciation and accumulated impairment losses at the balance sheet date; and
- (i) the depreciation recognised in the statement of profit and loss for the period;
 - (ii) impairment losses recognised in the statement of profit and loss for the period;
 - (iii) impairment losses reversed in the statement of profit and loss for the period;

(b) Future minimum lease payments under non-cancelable operating leases in the aggregate and for each of the following periods:

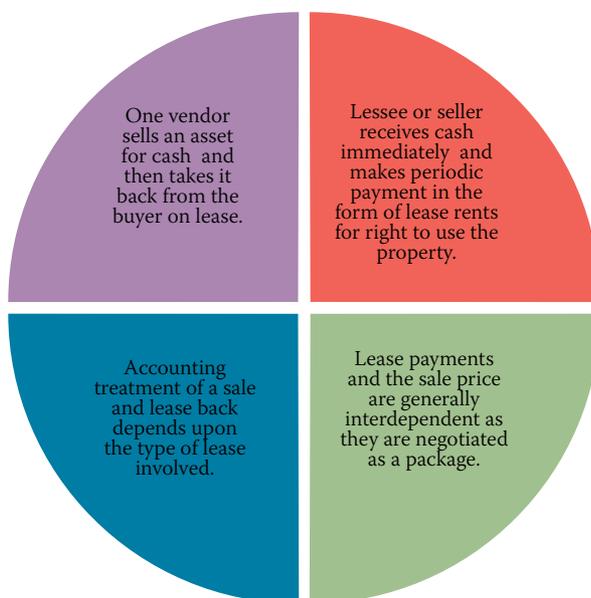
- (i) not later than one year;
- (ii) later than one year and not later than five years;
- (iii) later than five years;

(c) Total contingent rents recognised as income in the statement of profit and loss for the period;

(d) General description of the lessor's significant leasing arrangements; and

(e) Accounting policy adopted in respect of initial direct costs.

Sale and Leaseback



* AS 10 and AS 28 are not covered in the syllabus of Paper 5.

Where sale and leaseback results in finance lease

The excess or deficiency of sales proceeds over the carrying amount should not be recognized immediately but deferred and amortised over the lease term in proportion to the depreciation of the leased asset.

Where sale and leaseback results in operating lease

Case 1: Sale price = Fair Value

Profit or loss should be recognised immediately.

Case 2: Sale Price < Fair Value

Profit should be recognised immediately. The loss should also be recognised immediately except that, if the loss is compensated by future lease payments at below market price, it should be deferred and amortised in proportion to the lease payments over the period for which the asset is expected to be used.

Case 3: Sale Price > Fair Value

The excess over fair value should be deferred and amortised over the period for which the asset is expected to be used.

If the fair value at the time of a sale and leaseback transaction is less than the carrying amount of the asset, a loss equal to the amount of the difference between the carrying amount and fair value should be recognised immediately.

Sale price established at fair value	Carrying amount equal to fair value	Carrying amount less than fair value	Carrying amount above fair value
Profit	No profit	Recognise profit immediately	Not applicable
Loss	No loss	Not applicable	Recognise loss immediately
Sale price below fair value (paragraph 50)			

Sale price established at fair value	Carrying amount equal to fair value	Carrying amount less than fair value	Carrying amount above fair value
Profit	No profit	Recognise profit immediately	No profit (note 1)
Loss not compensated by future lease payments at below market price	Recognise loss immediately	Recognise loss immediately	(note 1)
Loss compensated by future lease payments at below market price	Defer and amortise loss	Defer and amortise loss	(note 1)
Sale price above fair value (paragraph 50)			
Profit	Defer and amortise profit	Defer and amortise profit	Defer and amortise profit (note 2)
Loss	No loss	No loss	(note 1)

Note 1: Circumstances that require the carrying amount of an asset to be written down to fair value where it is subject to a sale and leaseback.

Note 2: Profit would be the difference between fair value and sale price as the carrying amount would have been written down to fair value in accordance with AS 19.

AS 20 “EARNINGS PER SHARE”

The objective of AS 20

is to describe principles for determination and presentation of earnings per share which will improve comparison of performance among different enterprises for the same period and among different accounting periods for the same enterprise.

Earnings per share (EPS) is a financial ratio indicating the amount of profit or loss for the period attributable to each equity share and AS 20 gives computational methodology for determination and presentation of basic and diluted earnings per share.

This Accounting Standard is mandatory for all companies. However, disclosure of diluted earnings per share (both including and excluding extraordinary items) is not mandatory for SMCs.

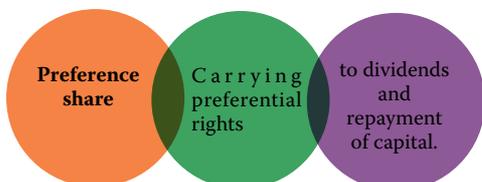
In consolidated financial statements, the information required by AS 20 should be presented on the basis of consolidated information.

Key Terms

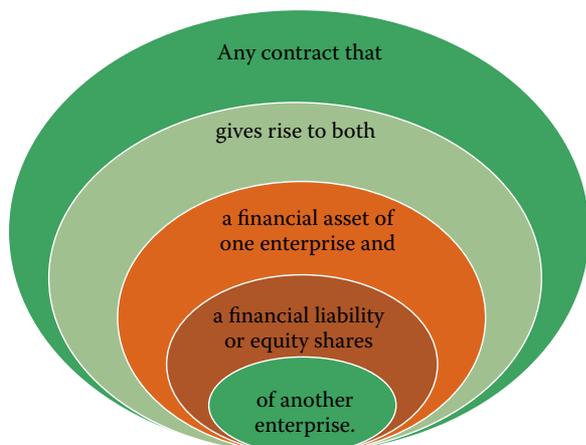
Equity Shares



Preference Share



A Financial Instrument



Financial Asset

A financial asset is any asset that is

Cash

A contractual right to receive cash or another financial asset from another enterprise

A contractual right to exchange financial instruments with another enterprise under conditions that are potentially favourable; or

An equity share of another enterprise.

Financial Liability

Any liability that is a

Contractual obligation to deliver cash or another financial asset

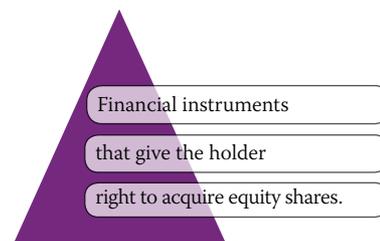
To another enterprise or to exchange financial instruments

With another enterprise under conditions that are potentially unfavourable.

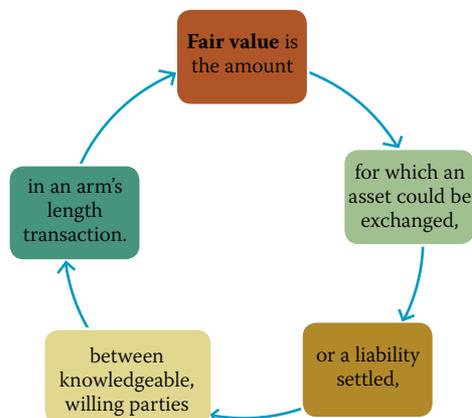
Potential Equity Share



Share Warrants or Options



Fair Value



Basic Earnings Per Share

Basic earnings per share is calculated as

$$\frac{\text{Net profit (loss) attributable to equity shareholders}}{\text{Weighted average number of equity shares outstanding during the period}}$$

For calculating basic earnings per share, the **net profit or loss for the period attributable to equity shareholders** should be the net profit or loss after deducting preference dividends and any attributable tax thereto for the period.

All items of income and expense which are recognised in a period, including tax expense and extraordinary items, are included in the determination of the net profit or loss for the period.

Amount of preference dividends for the period that is deducted from the net profit for the period is:

Amount of any preference dividends on non-cumulative preference shares provided for in respect of the period; and

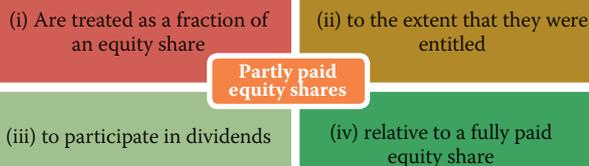
Full amount of the required preference dividends for cumulative preference shares for the period, whether or not the dividends have been provided for.

If an enterprise has more than one class of equity shares, net profit or loss for the period is apportioned over the different classes of shares in accordance with their dividend rights.

Earnings Per Share

The number of shares used in the denominator for basic EPS should be the weighted average number of equity shares outstanding during the period.

The weighted average number of equity shares outstanding during the period is the number of shares outstanding at the beginning of the period, adjusted by the number of equity shares bought back or issued during the period multiplied by a time-weighting factor.



Where an enterprise has equity shares of **different nominal values** but with the same dividend rights, the number of equity shares is calculated by converting all such equity shares into equivalent number of shares of the same nominal value.

Equity shares may be issued, or the number of shares outstanding may be reduced, without a corresponding change in resources. Examples include: bonus issue or share splits.

In a **rights issue**, the exercise price is often less than the fair value of the shares. A rights issue usually includes a bonus element.

The number of equity shares to be used in calculating basic earnings per share for all periods prior to the rights issue is the number of equity shares outstanding prior to the issue, multiplied by the following adjustment factor:

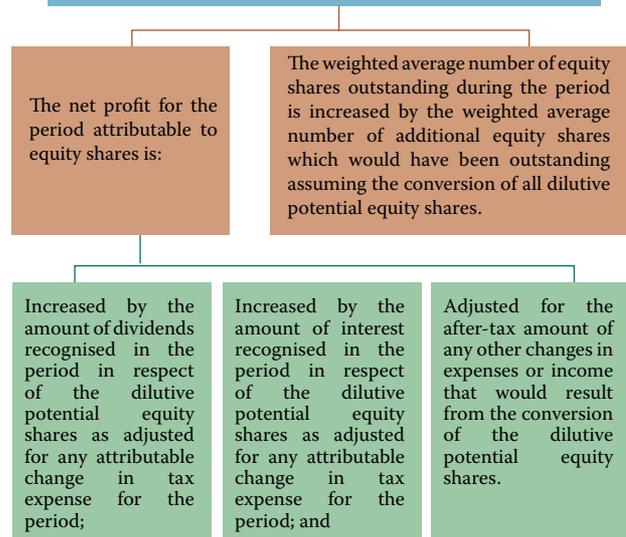
$$\frac{\text{Fair value per share immediately prior to the exercise of rights}}{\text{Theoretical ex-rights fair value per share}}$$

The theoretical ex-rights fair value per share is calculated by adding the aggregate fair value of the shares immediately prior to the exercise of the rights to the proceeds from the exercise of the rights, and dividing by the number of shares outstanding after the exercise of the rights.

Diluted Earnings per Share

Where an enterprise has equity shares of different nominal values but with the same dividend rights, the number of equity shares is calculated by converting all such equity shares into equivalent number of shares of the same nominal value.

In calculating diluted earnings per share, effect is given to all dilutive potential equity shares that were outstanding during the period, that is:



For the purpose of calculating diluted earnings per share, an enterprise should assume the exercise of dilutive options and other dilutive potential equity shares of the enterprise. The assumed proceeds from these issues should be considered to have been received from the issue of shares at fair value. The difference between the number of shares issuable and the number of shares that would have been issued at fair value should be treated as an issue of equity shares for no consideration.

Options and other share purchase arrangements are dilutive when they would result in the issue of equity shares for less than fair value. The amount of the dilution is fair value less the issue price. Therefore, in order to calculate diluted earnings per share, each such arrangement is treated as consisting of:

- A contract to issue a certain number of equity shares at their average fair value during the period. The shares to be so issued are fairly priced and are assumed to be neither dilutive nor anti-dilutive.
- A contract to issue the remaining equity shares for no consideration. Such equity shares generate no proceeds and have no effect on the net profit attributable to equity shares outstanding.

Dilutive Potential Equity Shares

Potential equity shares are anti-dilutive when their conversion to equity shares would increase earnings per share from continuing ordinary activities or decrease loss per share from continuing ordinary activities.

In considering whether potential equity shares are dilutive or anti-dilutive, each issue or series of potential equity shares is considered separately rather than in aggregate.

Potential equity shares are weighted for the period they were outstanding.

Restatement

If the number of equity or potential equity shares outstanding increases as a result of a bonus issue or share split or decreases as a result of a reverse share split (consolidation of shares), the calculation of basic and diluted earnings per share should be adjusted for all the periods presented.

If these changes occur after the balance sheet date but before the date on which the financial statements are approved by the board of directors, the per share calculations for those financial statements and any prior period financial statements presented should be based on the new number of shares.

Presentation

An enterprise should present basic and diluted earnings per share on the face of the statement of profit and loss for each class of equity shares that has a different right to share in the net profit for the period.

AS 20 requires an enterprise to present basic and diluted earnings per share, even if the amounts disclosed are negative.

Disclosure

Where the statement of profit and loss includes extraordinary items basic and diluted EPS computed on the basis of earnings excluding extraordinary items (net of tax expense).

The amounts used as the numerators in calculating basic and diluted earnings per share, and a reconciliation of those amounts to the net profit or loss for the period.

An enterprise should disclose

The weighted average number of equity shares used as the denominator in calculating basic and diluted earnings per share and a reconciliation of these denominators to each other.

The nominal value of shares along with the earnings per share figures.

If an enterprise discloses, in addition to basic and diluted earnings per share, per share amounts using a reported component of net profit other than net profit or loss for the period attributable to equity shareholders, such amounts should be calculated using the weighted average number of equity shares determined in accordance with AS 20.

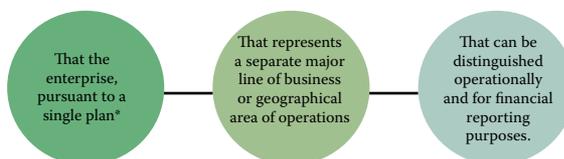
AS 24 "DISCONTINUING OPERATIONS"

The objective of AS 24 is to establish principles for reporting information about discontinuing operations, thereby enhancing the ability of users of financial statements to make projections of an enterprise's cash flows, earnings-generating capacity, and financial position by segregating information about discontinuing operations from information about continuing operations.

Assets, liabilities, revenue, and expenses are directly attributable to a component if they would be eliminated when the component is sold, abandoned or otherwise disposed of. If debt is attributable to a component, the related interest and other financing costs are similarly attributed to it.

Discontinuing Operation

A discontinuing operation is a component of an enterprise



- *(i) *Disposing of substantially in its entirety, such as by selling the component in a single transaction or by demerger or spin-off of ownership or*
- (ii) *Disposing of piecemeal, such as by selling off the component's assets and settling its liabilities individually or*
- (iii) *Terminating through abandonment.*

To qualify as a discontinuing operation, the disposal must be pursuant to a single coordinated plan.

A component can be distinguished operationally and for financial reporting purposes if these conditions are met:

- Operating assets and liabilities of the component can be directly attributed to it.
- Its revenue can be directly attributed to it.
- Majority of its operating expenses can be directly attributed to it.

Discontinuing operations are infrequent events, but this does not mean that all infrequent events are discontinuing operations.

Initial Disclosure Event

With respect to a discontinuing operation, the initial disclosure event is the occurrence of one of the events, whichever occurs earlier:

Enterprise has entered into a binding sale agreement for substantially all of the assets attributable to discontinuing operation or

Enterprise's board of directors or similar governing body has

Approved a detailed, formal plan for the discontinuance and

Made an announcement of the plan.

Recognition and Measurement

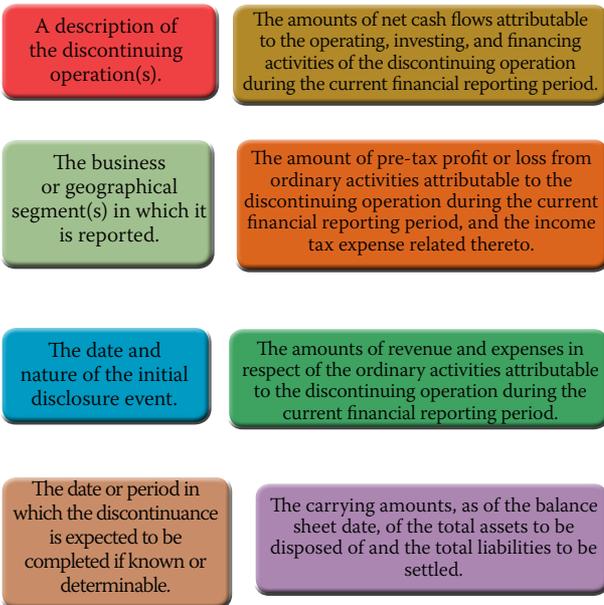
This AS does not provide any guidelines

- For recognizing and measuring,
- Effect of discontinuing operations,
- Relevant Accounting Standards should be referred.

Presentation and Disclosure

Initial Disclosure

An enterprise should include the following information relating to a discontinuing operation in its financial statements beginning with the financial statements for the period in which the initial disclosure event occurs:



Other Disclosures

When an enterprise disposes of assets or settles liabilities attributable to a discontinuing operation or enters into binding agreements for the sale of such assets or the settlement of such liabilities, it should include, in its financial statements, the following information when the events occur:

- For any gain or loss that is recognised on the disposal of assets or settlement of liabilities attributable to the discontinuing operation:
 - (i) the amount of the pre-tax gain or loss
 - (ii) income tax expense relating to the gain or loss
- The net selling price or range of prices (which is after deducting expected disposal costs) of those net assets for which the enterprise has entered into one or more binding sale agreements, the expected timing of receipt of those cash flows and the carrying amount of those net assets on the balance sheet date.

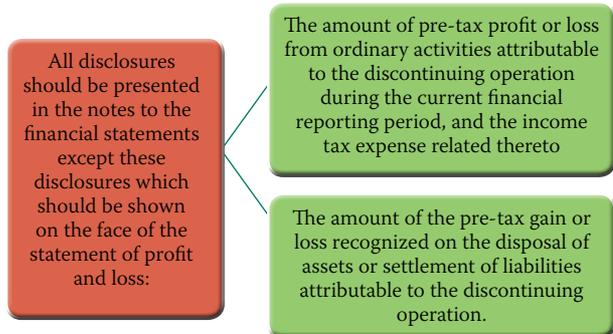
The disclosures should continue in financial statements for periods up to and including the period in which the discontinuance is completed. Discontinuance is completed when the plan is substantially completed or abandoned, though full payments from the buyer(s) may not yet have been received.

If an enterprise abandons or withdraws from a plan that was previously reported as a discontinuing operation, that fact, reasons therefore and its effect should be disclosed.

Separate disclosure for each discontinuing operation

Any disclosures required by AS 24 should be presented separately for each discontinuing operation.

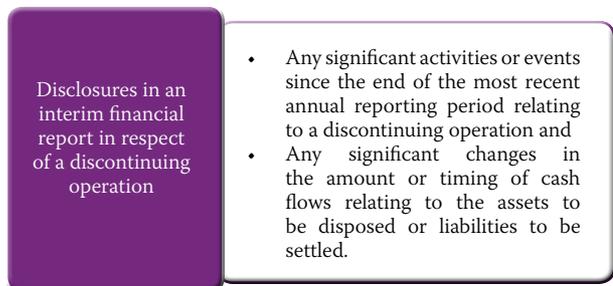
Presentation of the Required Disclosures



Restatement of Prior Periods

Comparative information for prior periods that is presented in financial statements prepared after the initial disclosure event should be restated to segregate assets, liabilities, revenue, expenses, and cash flows of continuing and discontinuing operations.

Disclosure in Interim Financial Reports



AS 26 "INTANGIBLE ASSETS"

The objective of AS 26 is to prescribe the accounting treatment for intangible assets that are not dealt with specifically in another Accounting Standard. AS 26 also specifies how to measure the carrying amount of intangible assets and requires certain disclosures about intangible assets.

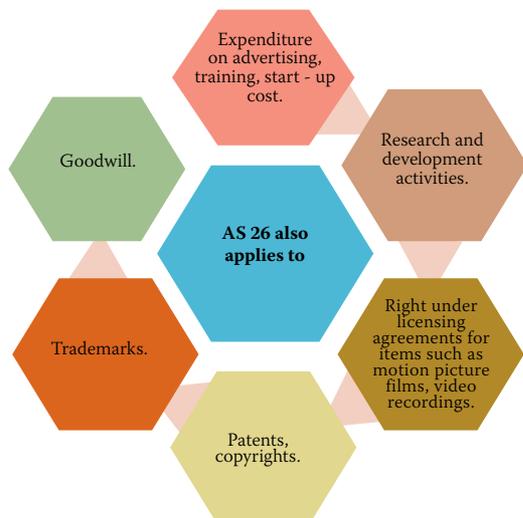
Scope

AS 26 should be applied by all enterprises in accounting for intangible assets, except

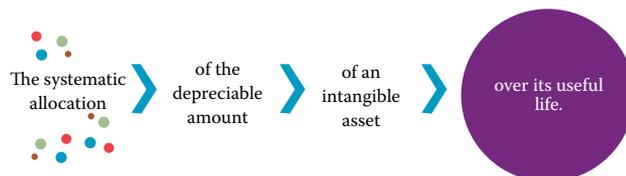
- Intangible assets that are covered by another Accounting Standard.
- Financial assets.
- Mineral rights and expenditure on the exploration for, or development and extraction of, minerals, oil, natural gas and similar non-regenerative resources.
- Intangible assets arising in insurance enterprises from contracts with policyholders.

AS 26 applies to

- Other intangible assets used (such as computer software), and other expenditure (such as start-up costs), in extractive industries or by insurance enterprises.



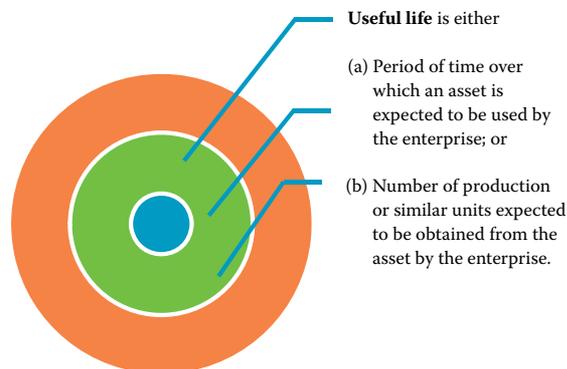
Amortisation



Depreciable Amount

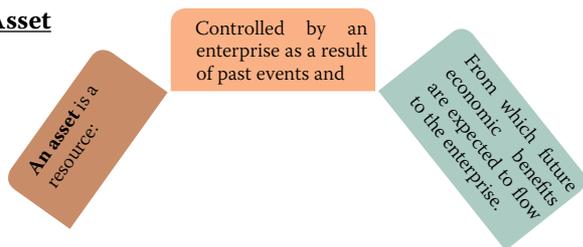


Useful Life

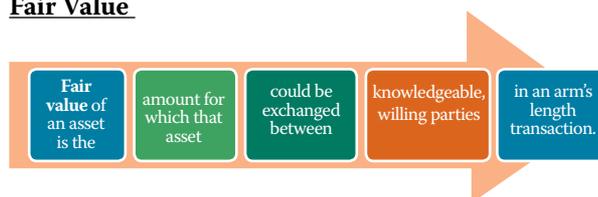


Key Terms

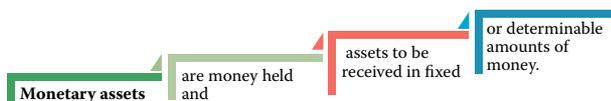
Asset



Fair Value



Monetary Assets

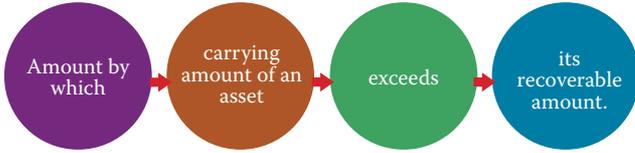


An Active Market



Non-monetary assets are assets other than monetary assets.

Impairment Loss



Carrying Amount

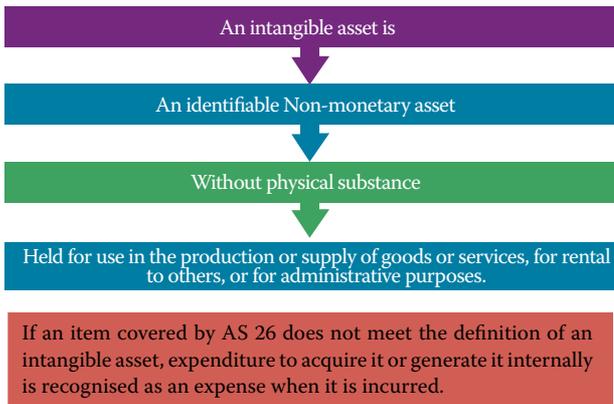
Amount at which an asset is recognised in the balance sheet,

net of any accumulated amortisation and accumulated impairment losses thereon.

Financial Asset



Intangible Assets



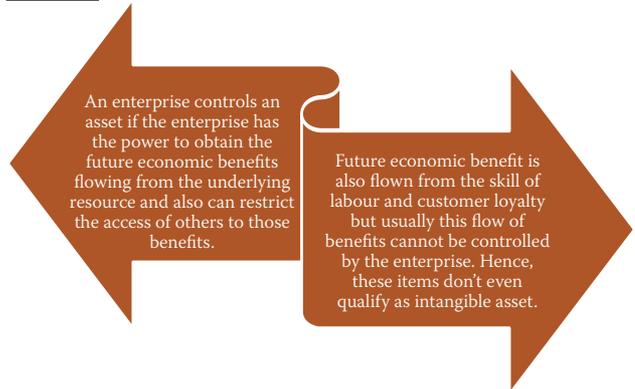
Identifiability

The definition of an intangible asset requires that an intangible asset be *identifiable*. To be identifiable, it is necessary that the intangible asset is clearly distinguished from goodwill.

An intangible asset can be clearly distinguished from goodwill if the asset is *separable*. An asset is separable if the enterprise could rent, sell, exchange or distribute the specific future economic benefits attributable to the asset without disposing of future economic benefits that flow from other assets used in the same revenue earning activity.

If an asset generates *future economic benefits* only in combination with other assets, the asset is identifiable if the enterprise can identify the future economic benefits that will flow from the asset.

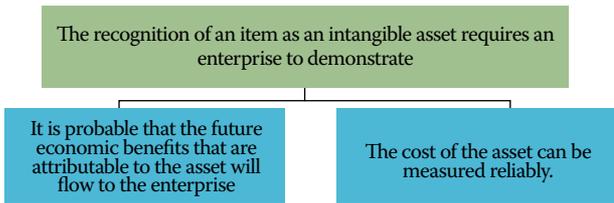
Control



Future Economic Benefits

The future economic benefits flowing from an intangible asset may include revenue from the sale of products or services, cost savings, or other benefits resulting from the use of the asset by the enterprise. Use of intellectual property in a production process may reduce future production costs rather than increase future revenues.

Recognition and Initial Measurement of an Intangible Asset



An intangible asset should be measured initially at cost.

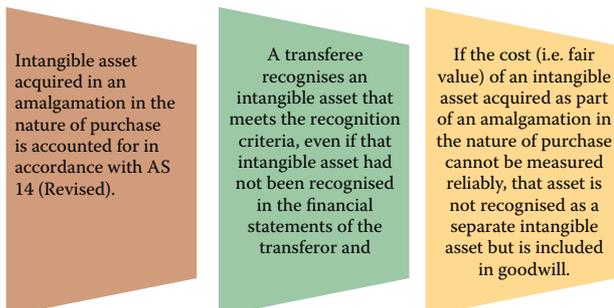
Separate Acquisition

If an intangible asset is acquired separately; cost of the intangible asset can usually be measured reliably.

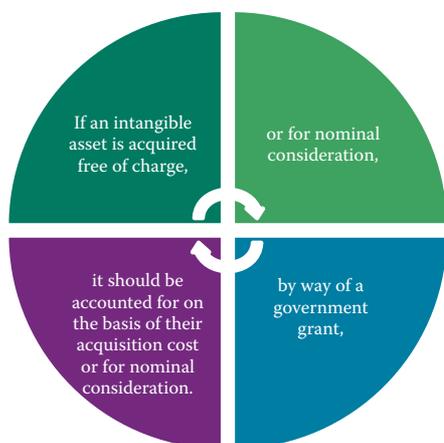
Cost of an intangible asset comprises its purchase price including any import duties and other taxes (other than those subsequently recoverable by the enterprise from the taxing authorities) and any directly attributable expenditure on making the asset ready for its intended use.

If an intangible asset is acquired in exchange for shares or other securities of the reporting enterprise; asset is recorded at its fair value or the fair value of the securities issued whichever is more clearly evident.

Acquisition as part of an Amalgamation



Acquisition by way of a Government Grant



Internally Generated Goodwill

Internally generated goodwill
is not recognised as an asset
because it is not an identifiable resource
controlled by the enterprise
that can be measured reliably at cost.

Internally Generated Intangible Assets

To assess whether an internally generated intangible asset meets the criteria for recognition, an enterprise classifies the generation of the asset into

Research Phase

Development Phase

If an enterprise cannot distinguish the research phase from the development phase of an internal project to create an intangible asset, the enterprise treats the expenditure on that project as if it were incurred in the research phase only.

Research Phase

Research is original and planned investigation undertaken with the prospect of gaining new scientific or technical knowledge and understanding.

No intangible asset arising from research or from the research phase should be recognised. Expenditure on research or on the research phase should be recognised as an expense when it is incurred.

Development Phase

Development is the application of research findings or other knowledge to a plan or design for the production of new or substantially improved materials, devices, products, processes, systems or services prior to the commencement of commercial production or use.

An intangible asset arising from development (or from the development phase of an internal project) should be recognised if, and only if, an enterprise can demonstrate all of the following:

- The technical feasibility of completing the intangible asset so that it will be available for use or sale.
- Its intention to complete the intangible asset and use or sell it.
- Its ability to use or sell the intangible asset.
- How the intangible asset will generate probable future economic benefits.
- The availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset and
- Its ability to measure the expenditure attributable to the intangible asset during its development reliably.

Expenditure on internally generated brands, mastheads, publishing titles, customer lists and items similar in substance cannot be distinguished from the cost of developing the business as a whole. Therefore, such items are not recognised as intangible assets.

Cost of an Internally Generated Intangible Asset

The cost of an internally generated intangible asset comprises all expenditure that can be directly attributed, or allocated on a reasonable and consistent basis, for creating, producing and making the asset ready for its intended use from the time when the intangible asset first meets the recognition criteria. The cost includes

Expenditure on materials and services used or consumed in generating the intangible asset.

Salaries, wages and other employment related costs of personnel directly engaged in generating asset.

Any expenditure that is directly attributable to generating the asset.

Overheads that are necessary to generate the asset and that can be allocated on a reasonable and consistent basis to the asset.

The costs which are not components of the cost of an internally generated intangible asset:

Selling, administrative and other general overhead expenditure unless this expenditure can be directly attributed to making the asset ready for use.

Clearly identified inefficiencies and initial operating losses incurred before an asset achieves planned performance and

Expenditure on training the staff to operate the asset.

Recognition of an Expense

Expenditure on an intangible item should be recognised as an expense when it is incurred unless:

It forms part of the cost of an intangible asset that meets the recognition criteria.

The item is acquired in an amalgamation in the nature of purchase and cannot be recognised as an intangible asset.

In some cases, expenditure is incurred to provide future economic benefits to an enterprise, but no intangible asset or other asset is acquired or created that can be recognised. In these cases, the expenditure is recognised as an expense when it is incurred. Expenditure on research is always recognised as an expense when it is incurred.

Expenses recognised as expenses cannot be reclassified as cost of intangible asset in later years.

Nature of Expenditure	Accounting treatment
Planning	Expense when incurred
Application and Infrastructure Development	Apply the requirements of AS 10
Graphical Design and Content Development	If a separate asset is not identifiable, then expense when incurred, unless it meets the recognition criteria
Operating	Expense when incurred, unless in rare circumstances it meets the criteria, in which case the expenditure is included in the cost of the web site
Other	Expense when incurred

Subsequent Expenditure

Subsequent expenditure on an intangible asset after its purchase or its completion should be recognised as an expense when it is incurred unless

It is probable that the expenditure will enable the asset to generate future economic benefits in excess of its originally assessed standard of performance and

Expenditure can be measured and attributed to the asset reliably.

If these conditions are met, the subsequent expenditure should be added to the cost of the intangible asset.

Subsequent expenditure on brands, mastheads, publishing titles, customer lists and items similar in substance is always recognised as an expense to avoid the recognition of internally generated goodwill.

Measurement Subsequent to Initial Recognition

After initial recognition, an intangible asset should be carried at its cost less any accumulated amortisation and any accumulated impairment losses.

Amortisation Period

The depreciable amount of an intangible asset should be allocated on a systematic basis over the best estimate of its useful life. Amortisation should commence when the asset is available for use.

AS 26 adopts a presumption that the useful life of intangible assets is unlikely to exceed ten years.

In some cases, there may be persuasive evidence that the useful life of an intangible asset will be a specific period longer than ten years. In these cases, the presumption that the useful life generally does not exceed ten years is rebutted and the enterprise:

Amortises the intangible asset over the best estimate of its useful life.

Estimates the recoverable amount of the intangible asset at least annually in order to identify any impairment loss and

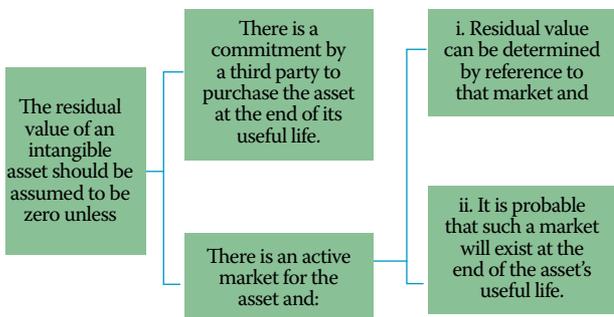
Discloses the reasons why the presumption is rebutted and the factors that played a significant role in determining the useful life of the asset.

Amortisation Method

A variety of amortisation methods can be used to allocate the depreciable amount of an asset on a systematic basis over its useful life. These methods include the *straight-line method*, the *diminishing balance method* and the *unit of production method*. The method used for an asset is selected based on the expected pattern of consumption of economic benefits and is consistently applied from period to period.

Residual Value

Residual value is the amount, which an enterprise expects to obtain for an asset at the end of its useful life after deducting the expected costs of disposal.

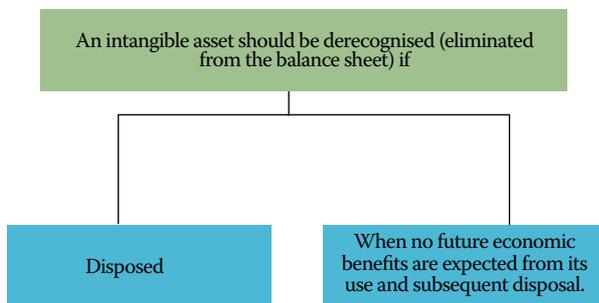


Review of Amortisation Period and Amortisation Method

The amortisation period and the amortisation method should be reviewed at least at each financial year end.

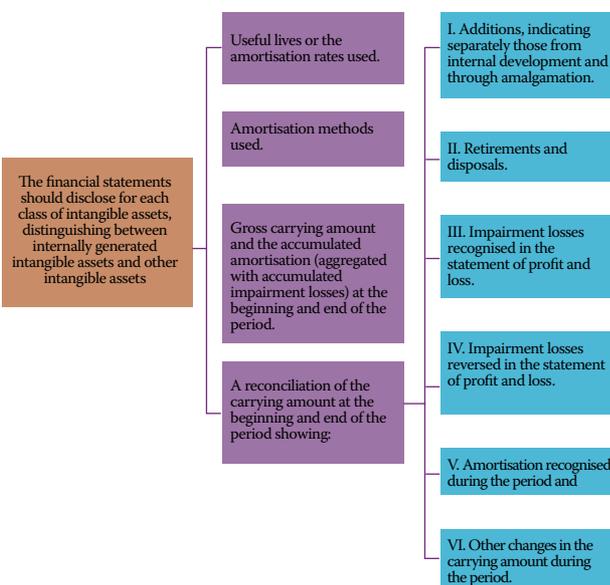
If there has been a significant change in the expected pattern of economic benefits from the asset, the amortisation method should be changed to reflect the changed pattern.

Retirements and Disposals



Gains or losses arising from the retirement or disposal of an intangible asset should be determined as the difference between the net disposal proceeds and the carrying amount of the asset and should be recognised as income or expense in the statement of profit and loss.

Disclosure



Other Disclosure

The financial statements should also disclose:

- If an intangible asset is amortised over more than ten years, the reasons why it is presumed that the useful life of an intangible asset will exceed ten years from the date when the asset is available for use.
- A description, the carrying amount and remaining amortisation period of any individual intangible asset that is material to the financial statements of the enterprise as a whole.
- The existence and carrying amounts of intangible assets whose title is restricted and the carrying amounts of intangible assets pledged as security for liabilities and
- The amount of commitments for the acquisition of intangible assets.

AS 29 “PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS”

AS 29 lays down appropriate accounting for contingent assets. The objective of AS 29 (Revised) is to ensure appropriate recognition criteria and measurement bases are applied to provisions and contingent liabilities.

Scope

AS 29 should be applied in accounting for provisions and contingent liabilities and in dealing with contingent assets, other than

Those resulting from financial instruments that are carried at fair value; Those resulting from executory contracts except where the contract is onerous*; Those arising in insurance enterprises from contracts with policy-holders; and Those covered by another Accounting Standard.

* An 'onerous contract' is a contract in which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it.

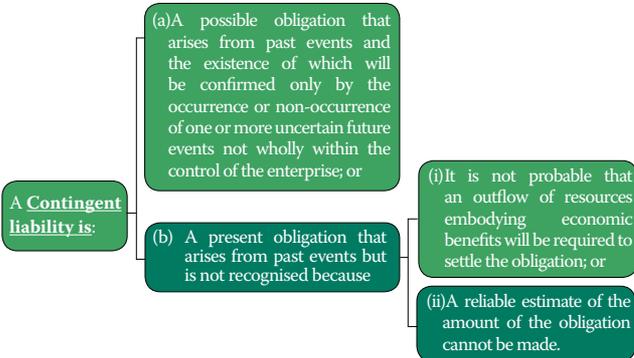
Key Terms

Executory contracts are contracts under which neither party has performed any of its obligations or both parties have partially performed their obligations to an equal extent.

A **Provision** is a liability which can be measured only by using a substantial degree of estimation.

A **Liability** is a present obligation of the enterprise arising from past events, the settlement of which is expected to result in an outflow from the enterprise of resources embodying economic benefits.

An **Obligating event** is an event that creates an obligation that results in an enterprise having no realistic alternative to settling that obligation.



A **Contingent asset** is a possible asset that arises from past events the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the enterprise.

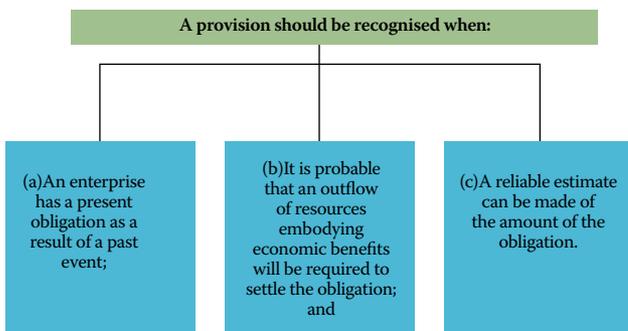
Present obligation - an obligation is a present obligation if, based on the evidence available, its existence at the balance sheet date is considered probable, i.e., more likely than not

Possible obligation - an obligation is a possible obligation if, based on the evidence available, its existence at the balance sheet date is considered not probable.

A **Restructuring** is a programme that is planned and controlled by management, and materially changes either:

- (a) The scope of a business undertaken by an enterprise; or
- (b) The manner in which that business is conducted.

Provisions



Present Obligation

An enterprise should determine whether a present obligation exists at the balance sheet date by taking account of all available evidence.

Where it is more likely than not that a present obligation exists at the balance sheet date, the enterprise recognises a provision (if the recognition criteria are met); and

Where it is more likely that no present obligation exists at the balance sheet date, the enterprise discloses a contingent liability, unless the possibility of an outflow of resources embodying economic benefits is remote.

Past Event

A past event that leads to a present obligation is called an obligating event. For an event to be an obligating event, it is necessary that the enterprise has no realistic alternative to settling the obligation created by the event.

No provision is recognised for costs that need to be incurred to operate in the future. The only liabilities recognised in an enterprise's balance sheet are those that exist at the balance sheet date.

It is only those obligations arising from past events existing independently of an enterprise's future actions that are recognised as provisions.

An event that does not give rise to an obligation immediately may do so at a later date, because of changes in the law. However, the causing of the damage will become an obligating event when a new law requires the existing damage to be rectified.

Probable Outflow of Resources Embodying Economic Benefits

For a liability to qualify for recognition there must be not only a present obligation but also the probability of an outflow of resources embodying economic benefits to settle that obligation. An outflow of resources or other event is regarded as probable if the probability that the event will occur is greater than the probability that it will not. Where it is not probable that a present obligation exists, an enterprise discloses a contingent liability, unless the possibility of an outflow of resources embodying economic benefits is remote.

Where there are a number of similar obligations (e.g., product warranties or similar contracts) the probability that an outflow will be required in settlement is determined by considering the class of obligations as a whole. Although the likelihood of outflow for any one item may be small, it may well be probable that some outflow of resources will be needed to settle the class of obligations as a whole. If that is the case, a provision is recognised (if the other recognition criteria are met).

Reliable Estimate of the Obligation

The use of estimates is an inherent part of preparing financial statements and does not undermine their reliability. Provisions require a greater degree of estimation than most other items, but it should not be impossible to determine a range of possible outcomes.

In the extremely rare case where no reliable estimate can be made, a liability exists that cannot be recognised. That liability will, instead, be disclosed as a contingent liability.

ADVANCED ACCOUNTING ||

Contingent Liabilities

An enterprise should not recognise a contingent liability but should be disclosed. A contingent liability is disclosed, unless the possibility of an outflow of resources embodying economic benefits is remote.

Where an enterprise is jointly and severally liable for an obligation, the part of the obligation that is expected to be met by other parties is treated as a contingent liability. The enterprise recognises a provision for the part of the obligation for which an outflow of resources embodying economic benefits is probable, except in the extremely rare circumstances where no reliable estimate can be made.

Future Events

It is only those obligations arising from past events that exist independently of the enterprise's future actions that are recognised as provisions.

Future events that may affect the amount required to settle an obligation should be reflected in the amount of a provision where there is sufficient objective evidence that they will occur.

The effect of possible new legislation is taken into consideration in measuring an existing obligation when sufficient objective evidence exists that the legislation is virtually certain to be enacted.

Contingent Assets

Contingent assets usually arise from unplanned or other unexpected events that give rise to the possibility of an inflow of economic benefits to the enterprise.

An enterprise should not recognise a contingent asset, since this may result in the recognition of income that may never be realised.

A contingent asset is not disclosed in the financial statements. It is usually disclosed in the report of the approving authority where an inflow of economic benefits is probable.

Contingent assets are assessed continually and if it has become virtually certain that an inflow of economic benefits will arise, the asset and the related income are recognised.

Expected Disposal of Assets

Gains on the expected disposal of assets are not taken into account in measuring a provision, even if the expected disposal is closely linked to the event giving rise to the provision. Instead, an enterprise recognises gains on expected disposals of assets at the time specified by the Accounting Standard dealing with the assets concerned.

Reimbursements

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement should be recognised when, and only when, it is virtually certain that reimbursement will be received if the enterprise settles the obligation.

Table- Provisions and contingent liabilities		
Where, as a result of past events, there may be an outflow of resources embodying future economic benefits in settlement of:		
(a) a present obligation the one whose existence at the balance sheet date is considered probable; or		
(b) a possible obligation the existence of which at the balance sheet date is considered not probable.		
<i>There is a present obligation that probably requires an outflow of resources and a reliable estimate can be made of the amount of obligation.</i>	<i>There is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources.</i>	<i>There is a possible obligation or a present obligation where the likelihood of an outflow of resources is remote.</i>
A provision is recognised. Disclosures are required for the provision.	No provision is recognised. Disclosures are required for the contingent liability.	No provision is recognised. No disclosure is required.

Some or all of the expenditure required to settle a provision is expected to be reimbursed by another party.

The enterprise has no obligation for the part of the expenditure to be reimbursed by the other party.	<i>The obligation for the amount expected to be reimbursed remains with the enterprise and it is virtually certain that reimbursement will be received if the enterprise settles the provision.</i>	<i>The obligation for the amount expected to be reimbursed remains with the enterprise and the reimbursement is not virtually certain if the enterprise settles the provision.</i>
The enterprise has no liability for the amount to be reimbursed.	The reimbursement is recognised as a separate asset in the balance sheet and may be offset against the expense in the statement of profit and loss. The amount recognised for the expected reimbursement does not exceed the liability.	The expected reimbursement is not recognised as an asset.
No disclosure is required.	The reimbursement is disclosed together with the amount recognised for the reimbursement.	The expected reimbursement is disclosed.

Measurement- Best Estimate

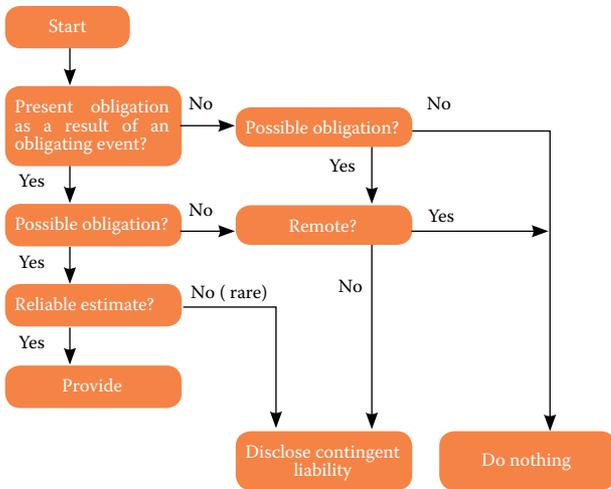
The amount recognised as a provision should be the best estimate of the expenditure required to settle the present obligation at the balance sheet date.

The estimates of outcome and financial effect are determined by the judgment of the management of the enterprise, supplemented by experience of similar transactions and, in some cases, reports from independent experts.

Risks and Uncertainties

The risks and uncertainties that inevitably surround many events and circumstances should be taken into account in reaching the best estimate of a provision.

Decision Tree



Changes in Provisions

Provisions should be reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation, the provision should be reversed.

Note: As per the amendment made in AS 29 (Revised) pursuant to MCA notification dated 30 March 2016, effective from financial year 2016-17, all the existing provisions for decommissioning, restoration and similar liabilities should be discounted prospectively, with the corresponding effect to the related item of property, plant and equipment.

Use of Provisions

A provision should be used only for expenditures for which the provision was originally recognised. Only expenditures that relate to the original provision are adjusted against it.

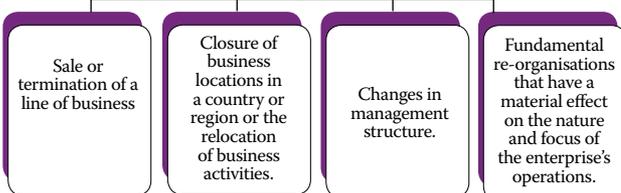
Application of the Recognition and Measurement Rules

Future Operating Losses

Future operating losses do not meet the definition of a liability and the general recognition criteria, therefore provisions should not be recognised for future operating losses.

Restructuring

The following are examples of events that may fall under the definition of restructuring:



A provision for restructuring costs is recognised only when the recognition criteria for provisions are met. No obligation arises for the sale of an operation until the enterprise is committed to the sale, i.e., there is a binding sale agreement.

A restructuring provision should include only the direct expenditures arising from the restructuring, which are those that are both:

(a) Necessarily entailed by the restructuring; and

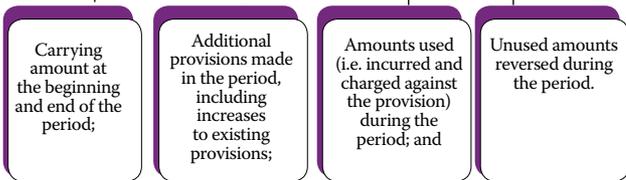
(b) Not associated with the ongoing activities of the enterprise

Identifiable future operating losses up to the date of a restructuring are not included in a provision.

Gains on the expected disposal of assets are not taken into account in measuring a restructuring provision, even if the sale of assets is envisaged as part of the restructuring.

Disclosure

For each class of provision, an enterprise should disclose:



An enterprise should disclose for each class of provision:

- A brief description of the nature of the obligation and the expected timing of any resulting outflows of economic benefits;
- An indication of the uncertainties about those outflows. Where necessary to provide adequate information, an enterprise should disclose the major assumptions made concerning future events, and
- The amount of any expected reimbursement, stating the amount of any asset that has been recognised for that expected reimbursement.

Note: SMCs are exempt from the above disclosure requirements.

Unless the possibility of any outflow in settlement is remote, an enterprise should disclose for each class of contingent liability at the balance sheet date a brief description of the nature of the contingent liability and, where practicable:

- An estimate of its financial effect,
- An indication of the uncertainties relating to any outflow; and
- The possibility of any reimbursement.

Where any of the information required by the standard is not disclosed because it is not practicable to do so, that fact should be stated.

MCX starts enrolling bank subsidiaries for trading in commodity derivatives

Multi Commodity Exchange (MCX) has started enrolling bank subsidiaries for trading in commodity derivatives. For more details please read at:

http://www.business-standard.com/article/markets/mcx-starts-enrolling-bank-subsidiaries-for-trading-in-commodity-derivatives-118011900054_1.html

Move to stop trading Indian indices abroad comes under criticism

The move by Indian exchanges to stop licensing their indices and securities to overseas bourses has come under the attack of Washington-based Futures Industry Association (FIA). For more details please read at:

<https://economictimes.indiatimes.com/markets/stocks/news/move-to-stop-trading-indian-indices-abroad-comes-under-criticism/articleshow/62896805.cms>

RBI's eye to dollar-rupee futures in GIFT may roil SGX's present

With the Budget paving the way for a unified regulator for India's International Financial Services Centre — housed in Gujarat's GIFT City — the stage is set for GIFT authorities and the government to push for the trade of Dollar-Rupee (USD/INR) currency futures in GIFT. For more details please read at:

economictimes.indiatimes.com/markets/forex/rbis-eye-to-dollar-rupee-futures-in-gift-may-roil-sgxx-present/articleshow/62893844.cms

NSE, BSE plan commodity derivatives platforms

India's leading stock exchanges National Stock Exchange and Bombay Stock Exchange plan to enter the commodity derivatives market. For more details please read at:

economictimes.indiatimes.com/markets/stocks/news/nse-bse-plan-commodity-derivatives-platforms/articleshow/63839275.cms

Sebi strengthens algo trading rules; co-location services

The SEBI issued new measures to provide “fair and equitable access” to the colocation facilities offered by the bourses. It directed all exchanges to provide “managed colocation services”, under which small brokers get access to colocation services without having to rent the entire space or rack. For more details please read at:

http://www.business-standard.com/article/economy-policy/sebi-strengthens-algo-trading-rules-co-location-services-118041000042_1.html

Tighter reporting of remittances under LRS to prevent abuse

Wealthy individuals who transfer money often to offshore entities for investments and other purposes face tighter scrutiny. For more details please read at:

economictimes.indiatimes.com/news/economy/finance/tighter-reporting-of-remittances-under-lrs-to-prevent-abuse/articleshow/63629442.cms

LoU ban to impact financial flexibility of importers: Ind-Ra

Banning of letters of undertaking (LoUs) and letters of comfort (LoCs) by the RBI as trade finance instruments is likely to reduce financial flexibility of importers. For more details please read at:

economictimes.indiatimes.com/news/economy/finance/lou-ban-to-impact-financial-flexibility-of-importers-ind-ra/articleshow/63615850.cms

US frowns over India's forex policies

In a recent report to Congress, the US Treasury department has included India along with five other nations for their foreign exchange and macroeconomic policies. For more details please read at:

www.livemint.com/Money/yvHO356kUpTRxvJ2qN7pEO/US-frown-over-Indias-forex-policies.html

RBI allows higher position limit for FPIs in interest rate futures

The Reserve Bank of India has eased position limit in interest rate futures (IRFs) for foreign portfolio investors (FPIs). The banking regulator has allowed a limit of 5,000 crore for FPIs to go long in IRFs. For more details please read at:

<https://www.thehindubusinessline.com/economy/rbi-allows-higher-position-limit-for-fpis-in-interest-rate-futures/article22896684.ece>

First blockchain network: Online bill discounting exchanges implement tech

The RBI had introduced TReDS to facilitate financing trade receivables of micro, small and medium enterprises. For more details please read at:

http://www.business-standard.com/article/economy-policy/first-blockchain-network-online-bill-discounting-exchanges-implement-tech-118040300062_1.html

IMPORTANT ANNOUNCEMENT



The Institute of Chartered Accountants of India
[Set up by an Act of Parliament]
 Post Box No.7112, 'ICAI BHAWAN', Indraprastha Marg
 New Delhi – 110002

10th April, 2018

Postponement of Chartered Accountants Examinations Scheduled to be held on 11th & 12th May, 2018 at Karnataka State Only.

In partial modification of the Institute's Notification No. 13-CA(Exam)/M/2018 dated 8th February, 2018, it is notified for general information that in view of the General Election to the Legislative Assembly of Karnataka, the Chartered Accountants Examinations scheduled to be held on 11th & 12th May 2018, as detailed below, at Belgaum, Bellary, Bengaluru, Hubli, Mangaluru, Mysuru, Shimoga and Udupi centre(s) (In the State of Karnataka only) stand postponed and the examination in the said paper(s) shall now be held on 19th & 18th May 2018 respectively at the same venue(s) and at the same timing(s). Admit Cards already issued would remain valid.

Details are as follows:

Examination & Paper	Previous Notified Date	Rescheduled Date
Intermediate (IPC) & Intermediate Examinations (Revised Scheme), (Group II), Paper – 5, Advanced Accounting	11th May 2018 (Friday)	19th May 2018 (Saturday)
Final {Existing Scheme} Examination, (Group II), Paper – 6, Information Systems Control and Audit. Final {Revised Scheme} Examination, (Group II), Paper – 6 (Elective). Foundation Examination, Paper – 2, Business Laws & Business Correspondence & Reporting. PQC – International Taxation – Assessment Test , Paper – 2, International Tax – Practice.	12th May 2018 (Saturday)	18th May 2018 (Friday)

However, it is clarified that the schedule of examinations notified vide Notification No. 13-CA(Exam)/M/2018 dated 8th February, 2018 in respect of all other cities shall remain unchanged. In other words, there will be no change in the schedule of examinations for other cities.

The candidates are advised to stay in touch with the website of the Institute, www.icaai.org.

(B. Muralidharan)
 Joint Secretary (Exams)

IMPORTANT ANNOUNCEMENT



The Institute of Chartered Accountants of India
[Set up by an Act of Parliament]
 Post Box No.7112, 'ICAI BHAWAN', Indraprastha Marg
 New Delhi – 110002

17th April, 2018

REG: CHANGE IN EXAMINATION VENUE IN THANE, ZONE – II, MAY 2018 EXAMINATIONS

Due to unavoidable circumstances, all the candidates initially allocated to Keraleeya Samajam Dombivili's Model College, P - 32, Phase – II, Residential Area, MIDC, Dombivli (EAST), DISTT. THANE – 421203, MAHARASHTRA have been re-allocated to **Keraleeya Samajam (Regd.) Dombivli's Model College, Khambalpada, Thakurli (EAST), DISTT. THANE – 421201, MAHARASHTRA**

The admit cards already issued shall remain valid. All other details also remain unchanged.

Candidates are advised to make a note of the new venue and accordingly appear in the May 2018 examinations from the new centre only i.e. **Keraleeya Samajam (Regd.) Dombivli's Model College, Khambalpada, Thakurli (EAST), DISTT. THANE – 421201, MAHARASHTRA**

Candidates are advised to stay in touch with the website of the Institute, www.icaai.org.

(B. Muralidharan)
 Joint Secretary (Exams)

CROSSWORD SOLUTION – APRIL 2018

¹ S	² P	Y		³ E	⁴ S	T	O	⁵ P		⁶ D	O
⁷ H	E	A	⁸ L	T	H			A		⁹ E	G
A	R		¹⁰ E	C	O	¹¹ N	¹² O	M	¹³ I	C	
M	T		A		¹⁴ W	A	R		¹⁵ N	O	¹⁶ D
		¹⁷ S	T	A	N	D	A	¹⁸ R	D		E
¹⁹ R	²⁰ A	S	H				²¹ L	O	E		N
²² E	L	S	E		²³ F	M		²⁴ T	N	T	
²⁵ V	I		²⁶ R	²⁷ O	R		²⁸ B	E	T		²⁹ R
E		³⁰ N		³¹ L	A	N					A
³² R	³³ I	A		³⁴ A	N		³⁵ N	O	³⁶ R	T	H
³⁷ S	E	N	T		C		³⁸ N	P	A		
³⁹ E	C	O		⁴⁰ I	E		⁴¹ P	O	N	J	I

GRAND FINALE

CA STUDENTS TALENT SEARCH 2018



Organized by Board of Studies, ICAI
Platform for CA Students to showcase their hidden talent in below areas



Quiz



Elocution



Instrumental
Music



Nukkad
Drama

On the eve of CA Day
30th June & 1st July, 2018 in New Delhi

THREE LEVEL
COMPETITION



- Winner(s) at Branch level will compete at Regional level
- Winner(s) at Regional level will compete at National level

SPECIAL ATTRACTION

CASH PRIZES FOR WINNERS AT NATIONAL LEVEL
Prize Distribution by Eminent Personality during
CA Day Function on 1st July, 2018 at Vigyan Bhavan, New Delhi

First two Winners of Elocution Contest &
the Quiz Winner Team at National Level will participate at SAFA Elocution / Quiz Contest

For Registration and more details, students may contact nearest ICAI Branch

CROSSWORD - MAY 2018

1	2	3					4	5	6	7	8
9							10				
11							12				
		13	14	15			16		17		
	18						19		20		
21		22					23		24		
25							26				27
	28							29		30	
	31						32		33		
34				35			36		37		
	38						39				
40						41					

- 23. Conform
- 24. One of trigonometric ratio ___Q
- 27. Whirlpool
- 30. -----to Information Act is applicable to all citizen of the country with certain restrictions.
- 32. Name of a religious book in India.
- 35. Two _____ trainings are a part of Revised Scheme of education & Training of ICAI
- 36. A form of bank guarantee under which a bank can allow its customer to raise money from another Indian bank's foreign branch in the form of a short term credit
- 37. Roman numeral for 250

ACROSS:

- 1. The pricing method that establishes selling prices based on total costs and expense per unit is _____margin pricing.
- 4. A person who is lazy
- 9. Helps in wrong doing
- 10. A mistake caused by fault
- 11. Latin adverb inserted after quotations
- 12. The smallest multiple shared by a group of number
- 13. The service now transformed to NCPDR (National Consumer Preference Register) by the TRAI (The Telecom Regulatory Authority of India).
- 16. Roman numeral of 49
- 17. A collection of business processes focused on consistently meeting customer requirements and enhancing their satisfaction
- 19. Roman numeral for 101
- 20. One of major trade partners of India
- 21. Avoidable costs are _____if a product or segment is discontinued.
- 25. Father of Economics _____ Smith
- 26. Consume
- 28. Angry
- 29. Geek
- 31. A platform to provide recognition to the informal earning.
- 33. Do away with
- 34. Business leader in a Corporate office
- 36. The biggest Public Sector Insurance company in India
- 38. The manager of a _____centre is responsible for producing a quality product or service at reasonable but minimal cost.
- 39. Type of trade securities
- 40. Network was created to bring faculty

- members and future faculty members together to advance student learning.
- 41. Measures of customer complaints and warranty claims are used in tracking _____performance.

DOWNWARD

- 1. Opposite of Fail
- 2. Banker's Bank in India
- 3. it promotes policies that will improve the economic and social well-being of people around the world
- 4. A gradual and continuous loss of strength, numbers, or value.
- 5. _____ is the system level management of co-channel interference, radio resources, and other radio transmission characteristics in wireless communication systems.
- 6. Used with Either
- 7. A firm under perfectly competitive market earns _____ profits in the long run.
- 8. Remove
- 12. A type of parasite
- 14. A measure of expected average utilization of productive capacity over a span of years is _____ capacity
- 15. Female form of some animals
- 17. One of four equal parts
- 18. Supporting service departments costs have _____ connection with products
- 22. _____is the sharing of car journeys so that more than one person travels in a car.

