Date: Name Haseeb Ahmad ID# 15336. (1)

IAS 1

Presentation of Financial Statement

IAS 1 Presentation of Financial Statement ~~gives~~ set out the overall requirement for financial statement that include how they should be structured, The standard requires a complete set of financial statements which include Balance sheet, Profit or loss statement, Cash flow statement, Statement of changes in equity, & Notes.

↳ Statement of Financial Position (balance sheet) shows ~~as~~ assets & liabilities & are required to classified as current or non-current.

↳ Statement of profit & loss and other comprehensive income include all the income & expense.

↳ Statement of changes ~~of~~ in equity is required to show total comprehensive income separately & the effect ~~of~~ ~~one~~ on each component of equity. It require a reconcilation b/w opening & closing balancing dis closing each separately.

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↳ Notes present information about the basis of Preparation of the financial Statement & Specified about the accounting policies used. It Notes presented in a Systematic manner & cross-referenced from the face of financial Statement to the relevant note.

↳

IAS 2 "Inventories"

IAS 2 inventories shows the requirments that how to Prescribe account for the inventory. The standard requires inventories to be measure at lower of cost & net realisable (NRV) and sets the methods of determining cost. For un interchangable inventory cost are to be specified for individual items of inventory. For interchangable item cost is determined either a First in First out (FIFO) or weighted avg basis.
Determination of cost include purchase cost, Conversion Cost & other cost to bring inventory in to its present location.

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IAS 7 "Statement of Cash Flows".

IAS 7 Statement of Cash Flow require an entity to present as Statement of Cash flow as an integral part financial Statement. The Standared Comprise information about changes in cash & cash equilant, Classified as operating, investing & financing activities. Cash equilant include investment that are short term easily Convertable in amount of Cash. Cash flows Comprised are as follows.

↳ operating activities are the main revenue producing activities that are not investing or financing activities. So operating Cash flows include Cash received from customer & cash paid to supplier & employees.

↳ Investing activities are the acquisition & disposal of long-term assets & other investments that are not considered to be cash equilant.

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↳ financing activities are activities that shows the change in size & composition of the contributed equity & borrowings of the entity.

IAS 38

"Intangible Assets".

IAS 38 intangible assets outlines the accounting requirements for intangible assets, which are non-monetary asset without physical substance. It include goodwill, Patents, brands, & development assets.

↳ Recognition Criteria IAS 38 requires an entity is to recognize as an intangible asset, whether purchased or self created If it is probable that the future economic benefits that are attribute to the assets. or the cost of the assets can be measured reliably.

If an intangible item does not meet both the defination & criteria for for recognition. then the cost are recognized as an expense when incurred.

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Date:

IAS 38

↳ ~~Cost model~~

↳ Subsequent measurement for Intangible Asset are classified as either a finite or Indefinite life. Indefinite means that no foreseeable limit to the period over which the asset is expected to generate net cash flows. For finite a limited period benefit to an entity

↳ Cost model after initial recognition intangible assets should be carried at cost less accumulated amortisation & impairment losses.

↳ Revaluation model for intangible assets are carried out at a revalued amount less any subsequent amortisation & impairment losses only if fair value can be determined by refrence to an active market. Under revaluation model revaluation increases are recognised in other comprehensive income & are accumulated in the revaluation surplus

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IAS 36

"Impairment of Assets"

Impairment of Assets seeks to ensure that an entity assets are not carried at more than their recoverable amount. IAS 36 are applies to asset that are not in the scope of other standards.

Recognition

An impairment loss is recognised when the carrying amount of an asset is greater than the Recoverable amount. Impairment loss is recognized when an asset is carried at cost & are revalued at loss.

Carrying Amount

The Amount at which an asset is recognised in the balance sheet after deducting the accumulated depreciation & accumulated impairment losses.

Recoverable Amount

Higher of an asset fair value less cost of disposal & its value in use.

Fair Value

the price that would be received to sell an asset.

Value in use: the present value of the future cash flows are expected to derived

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from an asset. Value in use is the present value of estimated future cash flows expected to be arise from the continuing use of an asset & from its disposal at the end of its useful life.

IAS 18 "Revenue"

IAS 18 Revenue outlines the accounting requirements to recognise the revenue from sale of goods, rendering of services, interest, dividend. Revenue is measured at fair value of consideration ~~in which are receives~~. Revenue is an economic benefit arise from sale of good, rendering services.

IAS 18 recognise revenue when its meets the following criteria
1. It is probable that future economic benefit associated with the item of revenue
2. The amount of revenue can be measured reliability

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Sale of Good

Revenue through Sale of Good can be recognised on following criteria.

- the seller has transfered ownership to the buyer
- the amount of revenue can be measured
- the cost incured in respect of transaction can be measured reliably.

Rendering of Service

Revenue from Rendering of Services should be recognised by the stage of completion at the balance sheet date an can be measured reliably. & if not met with this criteria then service should be recognised as expense that are recoverable.

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IFRS 10

Consolidated financial Statements

IFRS 10 Consolidated Financial Statements shows the requirements for the preparation of consolidated financial Statement, by consolidate the entities to have control over the entities. IFRS 10. requires a parent entity to present Consolidated financial statement. It define the principle of control, & establish control as the basis for. Consolidation. It set out the accounting requirement for the preparation of consolidated financial statements.

Consolidate financial Statements

when there is relationship exist b/w parent & Subsidiary entity then Consolidated financial Statement is required. & that financial Statement shows a Statement of a whole group.

Investment entities

An entity which obtain funds from investor for the purpose of providing those investor with investment managent ~~Serv~~ Services

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Consolidation procedure

For consolidation procedure intercompany balance, transaction, income & expenses must be eliminate. All entities in a group are require to use the same accounting procedure & reporting date.

IFRS 13.

Fair Value Measurement.

IFRS 13 Fair value measurement talk about fair value measurement or disclosure & provide a single source for measuring fair value & requires disclosure about fair value measurment. This standard insist fair value on the ~~bau~~ basis of exit price taking market condition in to account.

Fair Value

As per standard fair value is the price of an asset / liability in an ordinary transaction b/w market Participant at the measurement date.

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Fair Value hierarchy

For fair value estimatation following are the input level

↳ Input 1 are quoted prices in active markets for identical assets or liabilities at measurement date.

↳ Level 2 Input other than quoted market prices included with in Level 1 that are observeal for asset or liability directly or indirectly. So Level 2 inputs include quoted price for same asset or liabilities or interest rate or yield curves

↳ Level 3 inputs are unobservable for the asset or liability. An entity develops unobservable inputs using the best information avalable in the circumstances that might include the entity own data.

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