The assets, liabilities, Equity Income Expences & Cash Flows of the Parent Company and its Subsidiaries are Presented as those of a Single Economic Entity

While Preparing a Consolidated Financial Statement there are two basic Procedures. ~~that~~

1) First you cancel out all the Items that are accounted.
2) And Add togather all Uncancelled Items.

Q9 IFRS 13.

Ans IFRS 13.

In accounting and in most Schools of Economic throug Fair value is a rational & unbaised estimate of the Potential Market Price of good, Service or assets

The derivation take Into account Such objective Factors as the Costs Associated with Production or Replacemen Market Conditions & Matter of Supply & demand. Subjective Factors May also be Considered Such as the Risk characteristics the Cost of & Return on capital, and Individually Perceived utility.

Q 7 IAS 38.

Ans IAS 38 Intangible Assets May be one Possible Contributor to the disparity between Company value as Per their accounting Records. As well as Company value as Per their Market Capitilization Considering this argument. It is Important to understand what an Intangible asset truly In the eyes of an accountant.

An Intangible is an asset that lacks Physicle Substance. In Contrast to Physicle assets. Such as Machinary & buildings, and Financial assets Such as government Securities.

An Intangible asset is usually very hard to evaluate. Examples are Patents, Copyright Franchieses, goodwill, trademarks and trade names.

Q8 IFRS 10

Ans:- IFRS 10 Consolidated Financial Statements are the Financial Statements of a group in which

Fixed assets Commonly known as PPE (Property plant & Equipment) refers to long-lived Assets such as buildings, land Machinery & Equipment these assets are the most likely to Experiance Impairment which may caused by Several Factors.

Asset Impairment was first Addressed by the International Accounting Standards Board which became effective in 1983. It was Replaced by IAS 36 Effective July 1999.

The issue of Impairment of Financial Instrument Exposed deficiencies in the IAS 36 Framework during the 2008. Financial Crises & the IASB issued an Exposure draft in November 2009 that Proposed an Impairment Model based on Expected losses rather than Incurred losses for all Financial assets recorded at amortised Cost.

or turnover. Some Companies Receive Revenue from Interest Royalties or other fees. Revenue May refer to business income in general or it may refer to the amount in a monetary unit earned during a period of time.

Revenue is a Crucial Part of Financial Statement Analysis. The Company's Performance is measured to the extent to which its asset inflows (Revenue) Compare with outflows (Expence)

Net Income is the Result of this Equation. but revenue typically Enjoys Equal attention during a Standard Earnings Call.

Q No 6 IAS 36.

Ans:- Impairment Financial Reporting An Impairment Cost must be Included under Expence when the book value of an asset Exceeds the recoverable amount Impairment of Assets is the diminishing in quality Strenth amount or value of an asset.

highly Subjective & it is Important to note that Organisations may have an ulterior motive in Its Classification of research & development Expenditure. Less Scrupulous directors may manipulate Financial Statement through their Classification of Research & development Expenditure

The International accounting Standard Board offers Some guidance as to how Intangible assets Should be accounted For In Financial Statement.

In general legal Intangibles that are developed Internally are not recognized and legal Intangibles that are Purchased From third Parties are recognized.

Q 5:- IAS 18

Ans:- IAS 18 In accounting Revenue is the Income that a business has from its normal business activities usually from the Sale of goods & Services to Costumers. Revenue is also Referred to as Sales.

the drop of value occurs.

Q3 IAS 7.

Ans IAS 7. Statement of Cash Flow is an accounting Standard that Establishes Standards for Cash Flow Reporting used in International Financial Reporting Standards.

A Statement of Cash Flows for the Periods, is an Integral Component of Financial Statements.

IAS 7 was Reissued in December 1992. Retitled in September 2007. and is operative for Financial Statement Covering Periods beginnig on or after 1 January 1994.

Q4. IAS 38.

Ans:- IAS 38 Requires any Project that Result in the generation of a resource to the Entity be classified into two Phases The Classification of research & development Expenditure can be

Q2 IAS 2.

Ans: IAS is an International Financial Reporting Standard Produced & disseminated by the International Accounting Standards Board to Provide guideline guidance on the valuation and classification of Inventories.

IAS 2 defines Inventories as Assets which are

A) held for Sale in the ordinary Course of business

B) In the Process of ~~Prod~~ Production Such Sale.

C) In the Form of Materials or Supplies to be Consumed in the Production Process or Rendering of Services.

the value of Inventories must be Recorded at the lower of Cost or net Realisable value where net Reasable value drops to bellow the Cost of Inventory the loss is to be Recognised as an Expense in the Period in which

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Q1 IAS 1.

Ans: IAS 1 is an International Financial Reporting Standard Adopted by the International Accounting Standards Board (IASB)

It lays out the guidllines for the Presentation of Financial Statements & Sets out minimum Requirments of their Content.

It is Applicable to all general Purpose Financial Statements that are based on International Financial Reporting Standards.

IAS 1 was originally Issued by the International Accounting Standards Committee. In 1997 Superseding three Standards on discloser & Prentation Requirement & was the First Comprehensive accounting Standard to deal with the Presentation of Financial Standards.

It wass Adopted by the (IASB) in 2001 & as of 2012 the Standard was last amended In June 2011 these Amendments are Effective From July 1, 2012.