

# Assignment - 1

## Non-current asset:

Non-current assets are a company's long-term investments for which the full value will not be realized within the accounting year.

## Property, Plant and Equipment:

Property, Plant and equipment (PPE) are long-term tangible assets vital to business operations. These assets are not easily converted into cash.

ex: computers, machinery, vehicles, power tools

## Capital works - in - Progress:

The expenditure on fixed assets that are in the process of construction or completion (ie) not ready for intended use at the time of incurring of expenditure.

## Investment Property:

An investment property refers to a real estate property acquired to obtain a return on the investment by rental income, the property's potential resale or both.

## Goodwill:

Goodwill only shows up on a balance sheet when two companies complete a merge or acquisition. The net value of the target's identifiable assets becomes goodwill on the balance sheet.

Ex: The Value of a company's brand name, good employee relations.

## Intangible assets:

The intangible assets which have been acquired by a third party are recorded on the balance sheet at their purchase price.

Ex: Licences, trademarks, copyrights.

## Investment in associate:

It refers to the investment in an entity in which the investor has significant influence but does not have full control like a Parent and a Subsidiary relationship.



## Financial assets

A financial asset is a non-Physical asset whose value is derived from a contractual claim, such as bank deposits, bonds and Participations in companies share capital.

## Investment

Investment or Investing means Putting your money into a investment Plan that can increase in value or produce income. As responsibilities rise greater amount of investment will be necessary.

## Loans receivable

Loans receivable are the funds that a company has lent that have not yet been repaid.

## Other financial assets:

A financial asset is a liquid asset that gets its value from a contractual right or ownership claim. cash, stocks, bonds, mutual funds and bank deposits are all examples of financial asset.

## Deferred tax assets (net)

A deferred tax asset is an item on the balance sheet that results from an overpayment or advance payment of tax.

## Income tax assets (net)

The amount expected to be recovered or paid to the tax authorities at the tax rate and laws that have been enacted or subsequently enacted by the end of the reporting period.

## Other non current assets

Non-current assets are a company's long-term investments, and cannot be converted to cash easily within a year.

## Current asset:

A current asset also known as a liquid asset is any resource a company could use, turn into a cash, or sell within a year.



## Inventories:

Inventory is the collection of finished products or items used in a company's production.

## Trade receivables:

Trade receivables are defined as the amount owed to a business by its customers following the sale of products or services on credit.

## Cash and cash equivalents

It refers to the line item on the balance sheet that reports the value of a company's assets that are cash or can be converted into cash immediately.

## Bank balances other than

Balances with banks held as margin money or security against borrowings, guarantees, etc. and bank deposits with original maturity of more than three months but less than 12 months.

## Other current assets:

It is a category of things of value that a company owns, benefits from, or uses to generate income that can be converted into cash within one business cycle.

## Assets held for sale:

Long-term assets that a company intends to sell in the near future, typically within one year.

## Equity:

Equity is the amount of capital invested or owned by the owner of a company.

## Equity share capital:

The portion of a company's capital that is raised by issuing shares to shareholders in exchange for ownership of the company.

## Other equity capital

The portion of a company's shareholders equity that is distinct from share capital and retained earnings.

## Equity attributable to equity holders of the Parent

Profit or loss attributable to equity holders of the Parent means equity interests in an entity



to be attributed to the parent company within the limit of equity interest held in the capital

### Non-controlling interest

It is an ownership position in which a shareholder owns less than 50% of outstanding shares and has no control over decisions.

### Liabilities

Liabilities are debts you owe to other parties, including other businesses or the government.

### Non-current liabilities

It refers to the financial obligations of a company that are not expected to be settled within one year.

### Financial liabilities

It is defined as a sum of money that one party or entity owes to another.

### Borrowing

Long term borrowing is one of the most important line items in the entire balance sheet as it represents the amount of money that the company has borrowed through various sources.

## Lease liability

The financial obligation for the payments required by a lease, discounted to present value.

## Other financial liabilities

The value of payment obligation of the nature of financial liabilities not included in the other heading and the liabilities subject to financial guarantee contracts, unless classified as doubtful.

## Deferred tax liabilities

It is a form of adjustment made at the end of the year and affects the income tax calculation of the business for the current year and the coming years.

## Provision

Provisions represent funds put aside by a company to cover anticipated losses in the future.

## Current liabilities

Current liabilities are a company's short-term financial obligations that are due within one year or within a normal operating cycle.



## Trade Payable

Trade Payables (also called trade accounts Payable) are the money a business owes for goods and services when buying them on credit.

## Total outstanding dues of micro enterprises and small enterprises

Investment less than Rs. 1 crore and turnover less than Rs. 5 crore. Small enterprise: Investment less than Rs. 10 crore and turnover up to Rs. 50 crore

## Other current liabilities.

It includes the income taxes due, interest due on loans, and ~~some~~ other liabilities that are less common, such as current obligations that arise from some restrictions.

## Government grant - No Clarity

Government grants are a financing device and should be dealt with as such in the balance sheet rather than be recognised in profit or loss to offset the items of expense that they finance.

## Current tax liabilities

Sales tax and use tax are usually listed on the balance sheet as current liabilities. They are both paid directly to the government and depend on the amount of product or services sold because the tax is a percentage of total sales.

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