

## **CICA handbook accounting and auditing highlight summary no. 90 December 1996**

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### **HIGHLIGHT SUMMARY**

(Note: New Handbook material or changes in existing material are identified in each HANDBOOK REVISIONS RELEASE.)

#### **EIC Abstracts**

##### **New**

- Financial instruments that may be settled at the issuer's option in cash or its own equity instruments (EIC-71)
- Presentation of members' shares in a co-operative organization as liabilities or equity (EIC-72)
- Buy-out transactions (EIC-73)
- Presentation of preferred shares requiring the issuer to make repurchases (EIC-74)
- Scope of CICA 3860 — interests in subsidiaries presented in non-consolidated financial statements (EIC-75)

##### **Amended**

- Adjustments to the purchase equation subsequent to the acquisition date (EIC-14)
- Accounting for discontinued operations subsequently retained (EIC-35)
- Accounting for government funding to non-profit organizations (EIC-36)
- Accounting by the recipient for debenture payments to be financed by government funding (EIC-51)

#### **Analysis, Section 5301**

This new Section supersedes existing AUDIT EVIDENCE, paragraphs 5300.31-.35. The Section clarifies the definition of analysis (with the revised definition being reflected in paragraph 5300.30) and discusses the use of:

- analysis when planning the audit;
- analysis as a substantive procedure; and
- analytical procedures in evaluating the overall financial statement presentation.

The new Recommendations are effective for financial statements or reports relating to periods commencing on or after January 1, 1997.

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