

TM = 31.5

Your overall performance is good. You have good conceptual clarity. You have done all the questions very well. Just need to focus on little points appropriately, try to cover short supporting descriptions in your answer. Your practical understanding is good but always attempt the question completely, show all the required parts properly as per the question requirement. Your presentation and handwriting is good. Apply the same approach in your final exams. You can get better score by more and more practice.

Estimated Taxable income	
Income taxable without reversal of taxable temporary diff.	20000.
5 marks Taxable temporary differences during 2019	240000
less: Operating loss carried forward.	(180000)
less: Exp. to implement strategy	(30000)
	50000.

You have good practical understanding of this question

Deferred Tax asset to be recognised:-

Amt of DTA on loss c/f (180000 x 40%)	72000
less: Net-effect on anticipated estimated exps related to <del>tax</del> strategy (30000 - 30000 x 40%)	18000
	54000

Company will also create the DTL on 240000 taxable temporary difference.

$$\therefore \text{DTL} = 240000 \times 40\% = 96,000$$



6 marks

Pg 2

Date .....

Solution: B

On 31-12-20X1.	45000.
Carrying Amt	8 years
Remaining life	<del>5625</del>
Depreciation (45000/8)	

Carrying Amt as on 31-12-20X1	39375
Recoverable amt as on 31-12-20X1	<del>(34000)</del>
∴ Impairment loss	<del>5375</del>

As per Ind AS 36, impairment loss to be recorded if recoverable amt < carrying value of asset.

WN-1 Revaluation Reserve Balance.

Fair value as on 31-12-20X2	56250
Carrying value as on 31-12-20X2	<del>(50000)</del>
Revaluation surplus	<del>6250</del>
Dep. related to revaluation t/f to retained earnings @10%	(625)
Net revaluation surplus	<del>5625</del>
Portion allocated to dep.	<del>(625)</del>
	5000.
add: Depreciation taken for appreciation	(625)
Carrying value of revaluation reserve.	<del>4375</del>
Impairment recognised as reversal of earlier revaluation	<del>(4375)</del>
Net revaluation reserve	<del>0</del>



Date .....

Balance impairment loss of ₹1000 (5315-4315) is to be charged to Profit & Loss A/c.

Fair value as on 31/12/20x1	36500
Carrying value	( <del>34000</del> )
Upward revaluation	2500

apply same approach towards your exams

As per Ind AS 36, first ₹1000 is charged to P&L as impairment loss and remaining ₹1500 is t/f to revaluation reserve.



3 marks

Solution-1

Date .....

An integrated report is prepared by the entity in response to the compliance requirements.

For example, an organisation required to prepare integrated management commentary or other report as per local laws prepares same for its financial statement. If such report is in content with this framework, such can be considered as integrated report. An organisation if required to provide excess information than required in frameworks, then such report can be considered as integrated report if it do not obscure the frameworks.

2.5 marks

Solution-2

As per ~~Sec-135~~ Section 135, all the companies are required to comply with the provisions if the criteria specified is met.

you need to add more relevant points in your answer

As per Sec-2 of Companies Act, company includes organisation formed under any law in force.

Therefore, Chaku Ltd. is required to comply with the provision of Sec-135 in respect of CSR.



5 marks

Solution-4

Date .....

As per Ind AS-21, any entity operating in currency other than reporting entity's functional currency is required to convert its financial statement and difference is shown as FCTR.

## Translation of financial statements

	USD	Rate	L \$
PPE	50000	1.13	44248
Receivables	935000	1.13	827434
Issued Capital	50000	-	30055
Opening Ret. Earning	28000	-	15274
Profit of year	20000	1.175	17021
Account Payable	840000	1.13	743363
Accrued liabilities	47000	1.13	41593
FCTR			24376

## Reconciliation

Actual translation.	Amt	Diff. translated at closing rate 1.13.
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You can easily score good marks in these types of questions

S. Capital	30055	44248	14193
Opening R. Earning	15274	24479	9505
Profit	17021	17699	678
	62350	86726	24376



4 marks

Solution: 5

Date .....

(a) As per Ind AS 2 - Inventories, Maus Fashions should recognise its beauty products using 'Retail Price' method. It should value products at retail price i.e., selling price less gross margin of 65%.

(b) Maus Fashion should value the handbags using method 'Standard Cost'. The company has reliable information related to the production cost of the handbags. Therefore, it would be best method to cost the inventories in financial statements.

You have good understanding of this topic, well done



1) As per Ind AS 40, the value to be capitalize

$$\begin{aligned} \text{P.V. of lease rentals @ IRR of 12\% for 120 months} \\ 96000 \times 69.700 \\ = 6691250 \end{aligned}$$

2) Reconciliation of carrying amt:

Carrying value of lease liab. as on 31-12-2019.

Month	Op. Bal.	Int. @ 12%	Re-payment	Cl. Bal
Oct '2019	6691250	66913	(96000)	6662163
Nov '2019	6662163	66622	(96000)	6632785
Dec '2019	6632785	66328	(96000)	6603113

As in the given case, sub-lease has been done, ROU asset is to be de-recognised & net investment to be recognized.

$$\begin{aligned} \therefore (104000 - 96000) \times \text{PVIF } 0.833\% \text{ for 117 months} \\ = 74.55368 \times 8000 \\ = 596429 \end{aligned}$$

Presentation and concept is quite good

$$\begin{aligned} \text{Revised fair value due to change in IRR} \\ 6603113 + 596429 \\ = 7199542 \end{aligned}$$

$$\begin{aligned} \text{C. Amt on initial recognition} & 6691250 \\ \therefore \text{Additions} & \\ & = 7199542 - 6691250 \\ & = 508291 \end{aligned}$$



Date .....

3) C. Amt of Impmp. limited's finance lease liab.  
at 31-12-2019

= 6603113 (as per Part 2)

You have attempted this answer very nicely.