VSMART **CA Jai Chawla** C AS 4 - Contingencies and Events occurring **©** 7887 7887 05 Most Recent Videos Subscribe smart Academy channel Most Recent Updates after the Balance Sheet date. **Types of Events** Meaning **Treatment Non- Adjusting Event Non-Adjusting Event Adjusting Event Adjusting Event** Those that **Conditions not** Adjust Related **Only Disclosure is** 31/06/20xx 01/04/20xx31/03/20xx Assets/Liabilities Required in provides evidence existing on BS date **Beginning of FY BS** Date FS approved by BOD of Conditions **Notes to A/C** existing on BS date Second Effect on Instead, New P&L a/c **Condition arise** If any event occured during this period Occurrence of after BS date then Fin. Effect of these events shall be event confirms the adjusted or disclosed on BS date. condition already existing on BS date 1. Insolvency of a Debtor 2. Reduction in Value of Investments 5 Some Special Cases 3. Fire occured in the premise resulting losses Examples **Going Concern affected Dividend Declared Adjusting Event Non- Adjusting Event** after BS Date due to occurence of Non-Adjusting event 1. Reduction in the Value 1. Insolvency of Debtors **Treat Contingent** of Investments 2. Litigation Settlement after the Liab. on BS date & **Treat Adjusting** 2. Fire occurred in the premise **Reporting Date for Event** disclose on BS Date Event & Adj the all the Assets & **Occurred before Reporting Date** Liabilities at 3. Detection of Fraud or Realisable Value **Error after Reporting Period COVID - 19**