## VSMART ACADEMY CA Jai Chawla **CA INTER** COVID - 19 AS 1 - DISCLOSURE OF A/C POLICIES **9** 7887 7887 05 Most Recent Updates **Most Recent Videos** Subscribe Join us smart Academy channel Meaning of **Basic Requirement of** "Fundamental Accounting **Selection of** Accounting Policy Assumptions" **Accounting Policy AS - 1** • Specific Accounting Consistency **Principles &** Going **Consider Following 3 Principles All Significant** Accrual Disclosure Such the Methods of applying A/c Policies Concern to select any A/c Policy for Disclosure shall be made those Principles any Transaction or event adopted by in One Place shall form part Adopted by enterprise in entities should **Business will run Entity has** Financial of Financial **Preparation & Presentation** be Disclosed For Foreseeable followed same A/c statements are **Statements** of Financial Statements **Future** prepared as per Materiality Under Policies which it **Substance over Prudence** had Followed accrual Basis not Financial Legal form as cash Basis in the last year So that users can **Statements** Without the **Examples:**disclosure disclosure is **Undentand &** Always Consider Select the A/c A/c Policy should generally made of A/c Policies, Analyse the the Substance of Policy bared be such that it 1) Inventories Valuation 1) No Specific disclosures are required if above in "Notes to **Financial Financial Should Consider Transaction not** Method on Material fundamental A/c Assumptions are Followed Accounts & Statements & take **Statements are** Fore seeable its Legal Form FIFO, Weighted Arg. **Facts** Significant **Proper decisions** treated as **Losses or outflows** 2) If Fundamental A/c Assumption are not A/c Policies incomplete 2) Cash Flow Statement of future followed by entity than Fact Should be disclosed. Statements" **Presentation -Direct Method & Indirect Method 5** Change in Accounting Policies 3) Depreciation Method SLM or WOV etc. Entity can change its A/c **Effect of change** Policy when any one out of in A/c Policy three Conditions are Satisfied:-(2) (3) Material in Non-Material **Adoptions of** Change in A/c **Adoptions of** Current in current Period different A/c **Policy would** Period but Ascertainable different A/c **Policy is requited** result in more **Policy is because** in later Periods by Law/Statue appropriate of Coruplaince Amt not Amt presentation with Accounting Fact of Such **Ascertained Ascertained** of Financial Standards change in later Statements. Requirement Period should **Amount to be** Fact of **COVID - 19** be disclosed in non-ascestainable disclosed **Current Period** should be disclosed