

FR CS MCQ Booklet May 25 analysis by Karthik

Summary of latest Case scenario index - Paper 1 Financial Reporting

Note- This is made using Deepseek AI. If you notice any error let me know
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Case Scenario 1 (Page 5-7)

Topic: Revenue Recognition (Ind AS 115)

- **Question 1:** Variable consideration (Ind AS 115)
 - **Question 2:** Revenue recognition upon transfer of control (Ind AS 115)
 - **Question 3:** Revenue recognition for expected returns (Ind AS 115)
 - **Question 4:** Refund liability (Ind AS 115)
 - **Question 5:** Return asset (Ind AS 115)
 - **Question 6:** Journal entry for revenue recognition (Ind AS 115)
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Case Scenario 2 (Page 8-10)

Topic: Equity Method of Accounting (Ind AS 28)

- **Question 1:** Share of post-acquisition profit (Ind AS 28)
 - **Question 2:** Unrealized gain on unsold inventory (Ind AS 28)
 - **Question 3:** Share of dividend declared (Ind AS 28)
 - **Question 4:** Value of investment using equity method (Ind AS 28)
 - **Question 5:** Gross margin on goods sold (Ind AS 28)
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Case Scenario 3 (Page 11-15)

Topic: Valuation of Investments, Revenue Recognition, and Borrowing Costs (Ind AS 113, Ind AS 115, Ind AS 23)

- **Question 1:** Valuation of shares (Ind AS 113)

- **Question 2:** Fair value of investment (Ind AS 113)
 - **Question 3:** Revenue recognition in telecom segment (Ind AS 115)
 - **Question 4:** Capitalization rate for borrowing costs (Ind AS 23)
 - **Question 5:** Borrowing cost on specific borrowing (Ind AS 23)
 - **Question 6:** Borrowing cost on general borrowing (Ind AS 23)
-

Case Scenario 4 (Page 16-18)

Topic: Classification of Investments (Ind AS 110, Ind AS 28)

- **Question 1:** Relationship with Z Ltd. (Ind AS 110)
 - **Question 2:** Relationship with G Ltd. (Ind AS 110)
 - **Question 3:** Relationship with Y Ltd. (Ind AS 28)
-

Case Scenario 5 (Page 19-24)

Topic: Deferred Tax (Ind AS 12)

- **Question 1:** Tax base of PPE (Ind AS 12)
 - **Question 2:** Deferred tax on PPE (Ind AS 12)
 - **Question 3:** Tax base of Product Development Cost (Ind AS 12)
 - **Question 4:** Deferred tax on Product Development Cost (Ind AS 12)
 - **Question 5:** Tax base of Trade Investment (Ind AS 12)
 - **Question 6:** Deferred tax on Trade Investment (Ind AS 12)
 - **Question 7:** Net deferred tax asset/liability (Ind AS 12)
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Case Scenario 6 (Page 25-28)

Topic: Deferred Tax (Ind AS 12)

- **Question 1:** Tax base of Trade Receivables (Ind AS 12)
 - **Question 2:** Deferred tax on Trade Receivables (Ind AS 12)
 - **Question 3:** Tax base of Inventories (Ind AS 12)
 - **Question 4:** Deferred tax on Inventories (Ind AS 12)
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Case Scenario 7 (Page 29-33)

Topic: Deferred Tax and Provisions (Ind AS 12, Ind AS 37)

- **Question 1:** Tax base of Government grants (Ind AS 12)
 - **Question 2:** Deferred tax on Government grants (Ind AS 12)
 - **Question 3:** Tax base of liability for product warranty costs (Ind AS 12)
 - **Question 4:** Deferred tax on liability for product warranty costs (Ind AS 12)
 - **Question 5:** Temporary difference for health care benefits (Ind AS 12)
 - **Question 6:** Deferred tax on health care benefits (Ind AS 12)
-

Case Scenario 8 (Page 34-38)

Topic: Cash Flow Statement, Depreciation, and Revenue Recognition (Ind AS 7, Ind AS 16, Ind AS 115)

- **Question 1:** Cash flow from financing activity (Ind AS 7)
 - **Question 2:** Costs included in financial report (Ind AS 34)
 - **Question 3:** Depreciation charge and revaluation surplus (Ind AS 16)
 - **Question 4:** Tax base of intangible asset (Ind AS 12)
 - **Question 5:** Classification of preference shares (Ind AS 32)
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Case Scenario 9 (Page 39-43)

Topic: Joint Operations, Preference Shares, and Goodwill (Ind AS 111, Ind AS 32, Ind AS 103)

- **Question 1:** Liability disclosure in joint operations (Ind AS 111)
 - **Question 2:** Preference dividend for EPS calculation (Ind AS 33)
 - **Question 3:** Earnings from associate in cash flow statement (Ind AS 7)
 - **Question 4:** Goodwill on acquisition (Ind AS 103)
-

Case Scenario 10 (Page 44-47)

Topic: First-time Adoption of Ind AS, Revenue Recognition, and Gain on Sale of Subsidiary (Ind AS 101, Ind AS 115, Ind AS 110)

- **Question 1:** Correction of errors in Ind AS financial statements (Ind AS 101)
 - **Question 2:** Performance obligations in revenue recognition (Ind AS 115)
 - **Question 3:** Gain on sale of interest in subsidiary (Ind AS 110)
-

Case Scenario 11 (Page 48-51)

Topic: Classification of Liabilities, Inventory Valuation, and Revenue Recognition (Ind AS 1, Ind AS 2, Ind AS 115)

- **Question 1:** Classification of long-term loan (Ind AS 1)
 - **Question 2:** Classification of loan after negotiation (Ind AS 1)
 - **Question 3:** Valuation of raw material (Ind AS 2)
 - **Question 4:** Revenue recognition for machinery sale (Ind AS 115)
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Case Scenario 12 (Page 52-55)

Topic: Non-current Assets Held for Sale and Government Grants (Ind AS 105, Ind AS 20)

- **Question 1:** Goodwill re-measurement (Ind AS 105)
 - **Question 2:** Property, Plant, and Equipment balance (Ind AS 105)
 - **Question 3:** Grant recognition in profit and loss (Ind AS 20)
 - **Question 4:** Treatment of government grant (Ind AS 20)
-

Case Scenario 13 (Page 56-62)

Topic: Financial Instruments, Joint Operations, and Depreciation (Ind AS 109, Ind AS 111, Ind AS 16)

- **Question 1:** Initial measurement of financial instruments (Ind AS 109)
 - **Question 2:** Closing balance of financial instruments (Ind AS 109)
 - **Question 3:** Nature of joint operation agreement (Ind AS 111)
 - **Question 4:** Initial cost of PPE (Ind AS 16)
 - **Question 5:** Depreciation charge (Ind AS 16)
-

Case Scenario 14 (Page 63-67)

Topic: Property, Plant, and Equipment, Provisions, and Cash Flow from Operations (Ind AS 16, Ind AS 37, Ind AS 7)

- **Question 1:** Capitalization of costs (Ind AS 16)
 - **Question 2:** Cash flow from operations (Ind AS 7)
 - **Question 3:** Provision for legal claim (Ind AS 37)
 - **Question 4:** Depreciation and dismantling cost (Ind AS 16)
 - **Question 5:** Initial cost of production line (Ind AS 16)
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Case Scenario 15 (Page 68-71)

Topic: Equity Method, Compound Financial Instruments, and Control (Ind AS 28, Ind AS 32, Ind AS 110)

- **Question 1:** Investment in associate (Ind AS 28)
 - **Question 2:** Accounting for convertible debentures (Ind AS 32)
 - **Question 3:** Measurement of investments in separate financial statements (Ind AS 27)
 - **Question 4:** Date of gaining control (Ind AS 110)
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Case Scenario 16 (Page 72-74)

Topic: Financial Instruments and Property, Plant, and Equipment (Ind AS 32, Ind AS 109, Ind AS 16)

- **Question 1:** Classification of financial instrument (Ind AS 32)
 - **Question 2:** Hedge accounting (Ind AS 109)
 - **Question 3:** Initial recognition of machinery (Ind AS 16)
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Case Scenario 17 (Page 75-77)

Topic: Government Grants and Depreciation (Ind AS 20, Ind AS 16)

- **Question 1:** Fair value of loan (Ind AS 20)
- **Question 2:** Grant recognition (Ind AS 20)

- **Question 3:** Depreciation on wastewater treatment plant (Ind AS 16)
 - **Question 4:** Grant income recognition (Ind AS 20)
-

Case Scenario 18 (Page 78-81)

Topic: Government Grants and Finance Costs (Ind AS 20, Ind AS 23)

- **Question 1:** Repayment of government grant (Ind AS 20)
 - **Question 2:** Finance cost recognition (Ind AS 23)
 - **Question 3:** Amount repayable to government (Ind AS 20)
 - **Question 4:** Deferred grant income balance (Ind AS 20)
 - **Question 5:** Impact on profit and loss (Ind AS 20)
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Case Scenario 19 (Page 82-87)

Topic: Leases, Share-based Payments, and Earnings per Share (Ind AS 116, Ind AS 102, Ind AS 33)

- **Question 1:** Lease liability adjustment (Ind AS 116)
 - **Question 2:** Accounting for tax losses (Ind AS 12)
 - **Question 3:** Share-based payment treatment (Ind AS 102)
 - **Question 4:** Calculation of EPS (Ind AS 33)
 - **Question 5:** Accounting for own shares (Ind AS 32)
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Case Scenario 20 (Page 88-90)

Topic: Equity Method and Compound Financial Instruments (Ind AS 28, Ind AS 32)

- **Question 1:** Investment in associate (Ind AS 28)
 - **Question 2:** Accounting for convertible debentures (Ind AS 32)
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Case Scenario 21 (Page 91-93)

Topic: Deferred Tax, Intangible Assets, and Barter Transactions (Ind AS 12, Ind AS 38, Ind AS 16)

- **Question 1:** Deferred tax on equity issue costs (Ind AS 12)
 - **Question 2:** Carrying amount of intangible asset (Ind AS 38)
 - **Question 3:** Valuation of barter transaction (Ind AS 16)
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Case Scenario 22 (Page 94-97)

Topic: Revenue Recognition and Interim Financial Reporting (Ind AS 115, Ind AS 34)

- **Question 1:** Variable consideration in revenue recognition (Ind AS 115)
 - **Question 2:** Correct net profit in interim financial statements (Ind AS 34)
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Case Scenario 23 (Page 98-101)

Topic: Business Combinations and Foreign Currency Borrowings (Ind AS 103, Ind AS 23)

- **Question 1:** Correction of error in financial statements (Ind AS 8)
 - **Question 2:** Business combination criteria (Ind AS 103)
 - **Question 3:** Borrowing cost capitalization (Ind AS 23)
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Case Scenario 24 (Page 102-104)

Topic: Classification of Financial Instruments (Ind AS 32)

- **Question 1:** Classification of cumulative preference shares (Ind AS 32)
 - **Question 2:** Classification of non-cumulative preference shares (Ind AS 32)
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Case Scenario 25 (Page 105-107)

Topic: Compound Financial Instruments (Ind AS 32)

- **Question 1:** Classification of mandatory dividend preference shares (Ind AS 32)
 - **Question 2:** Equity component of convertible bonds (Ind AS 32)
 - **Question 3:** Equity component of mandatorily convertible instruments (Ind AS 32)
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Case Scenario 26 (Page 108-112)

Topic: Tax Expense, Revenue Recognition, and Investment Property (Ind AS 12, Ind AS 115, Ind AS 40)

- **Question 1:** Weighted average tax rate (Ind AS 12)
 - **Question 2:** Tax expense for quarters (Ind AS 12)
 - **Question 3:** Transaction price in revenue recognition (Ind AS 115)
 - **Question 4:** Cost of investment property (Ind AS 40)
 - **Question 5:** Cost of owner-occupied property (Ind AS 40)
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Case Scenario 27 (Page 113-116)

Topic: Business Combinations and Foreign Currency Transactions (Ind AS 103, Ind AS 21)

- **Question 1:** Goodwill on acquisition (Ind AS 103)
 - **Question 2:** Goodwill in financial statements (Ind AS 103)
 - **Question 3:** Prepaid lease payment (Ind AS 116)
 - **Question 4:** Interest income on security deposit (Ind AS 109)
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Case Scenario 28 (Page 117-119)

Topic: Consolidated Financial Statements (Ind AS 110)

- **Question 1:** Preparation of consolidated financial statements (Ind AS 110)
 - **Question 2:** Consolidated financial statements for foreign entity (Ind AS 110)
 - **Question 3:** Consolidated financial statements for individual-owned entity (Ind AS 110)
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Case Scenario 29 (Page 120-121)

Topic: Preparation of Financial Statements and Automation (Ind AS 1, Ind AS 27)

- **Question 1:** Preparation of financial statements (Ind AS 1)
- **Question 2:** Challenges of automation (Ind AS 27)

Case Scenario 30 (Page 122-125)

Topic: Provisions, Onerous Contracts, and Cash Flow Statement (Ind AS 37, Ind AS 7)

- **Question 1:** Interest income in cash flow statement (Ind AS 7)
 - **Question 2:** Maturity proceeds of bonds (Ind AS 7)
 - **Question 3:** Provision for legal claim (Ind AS 37)
 - **Question 4:** Provision for onerous contract (Ind AS 37)
 - **Question 5:** Date of approval of financial statements (Ind AS 1)
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Case Scenario 31 (Page 126-128)

Topic: Hedge Accounting and Property, Plant, and Equipment (Ind AS 109, Ind AS 16)

- **Question 1:** Recognition of PPE (Ind AS 16)
 - **Question 2:** Gain on revaluation of derivative (Ind AS 109)
 - **Question 3:** Carrying amount of PPE (Ind AS 16)
 - **Question 4:** Derecognition of hedging instrument (Ind AS 109)
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Case Scenario 32 (Page 129-131)

Topic: Share-based Payments and Government Grants (Ind AS 102, Ind AS 20)

- **Question 1:** Depreciation of machinery (Ind AS 16)
 - **Question 2:** Accounting for government subsidy (Ind AS 20)
 - **Question 3:** Share-based payment expense (Ind AS 102)
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Case Scenario 33 (Page 132-133)

Topic: Earnings per Share and Classification of Assets (Ind AS 33, Ind AS 16)

- **Question 1:** Weighted average number of shares (Ind AS 33)
 - **Question 2:** Classification of building (Ind AS 16)
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Case Scenario 34 (Page 134-137)

Topic: Earnings per Share and Financial Instruments (Ind AS 33, Ind AS 32)

- **Question 1:** Basic EPS (Ind AS 33)
 - **Question 2:** Diluted EPS (Ind AS 33)
 - **Question 3:** Nature of contract (Ind AS 109)
 - **Question 4:** Classification of financial instrument (Ind AS 32)
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Case Scenario 35 (Page 138-141)

Topic: Business Combinations and Transition to Ind AS (Ind AS 103, Ind AS 101)

- **Question 1:** Total consideration in business combination (Ind AS 103)
 - **Question 2:** Goodwill calculation (Ind AS 103)
 - **Question 3:** Gain on previously held interest (Ind AS 103)
 - **Question 4:** Transition date for Ind AS (Ind AS 101)
 - **Question 5:** Comparative financial statements (Ind AS 101)
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