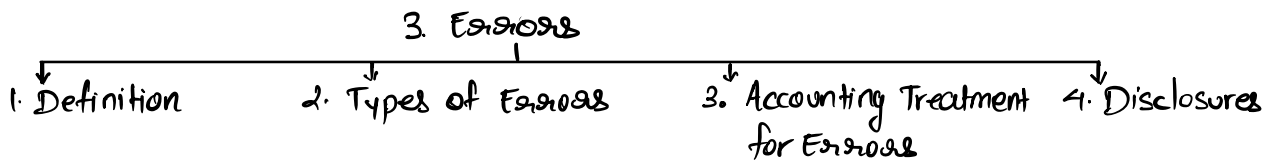
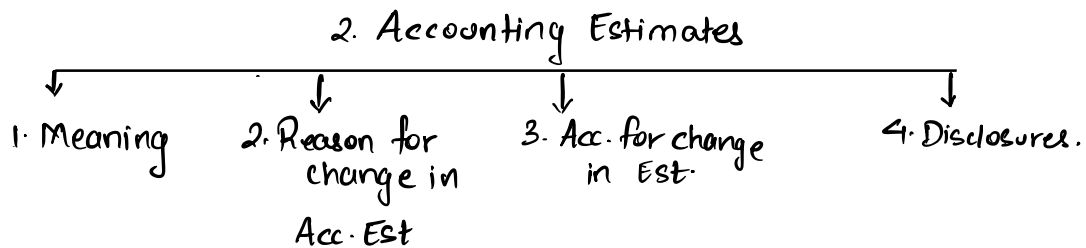
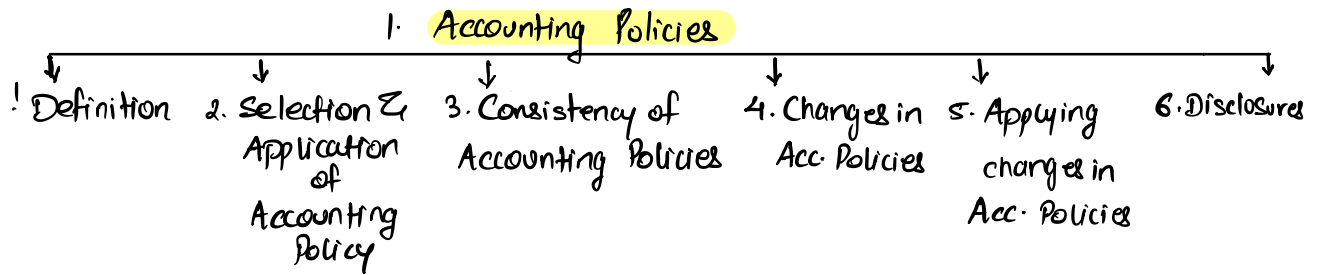


IndAS8



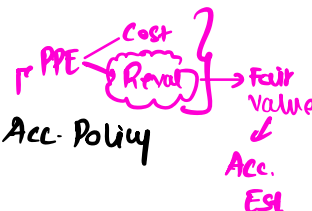
eg: Retrospective effect

	2016-17	17-18	18-19	19-20	20-21
Inventory	FIFO	FIFO	FIFO	FIFO	FIFO } Voluntary WAM
C.Y. FS					
Inventory	WAM	(Restated) P.Y (19-20) FIFO WAM	Opn BIS (Dam 1 P.Y.) 01.04.19 WAM		
			All prior years effect will be given in this BIS ie. 16-17, 17-18, 18-19		
O.E (Retained Earnings) (2nd effect)		xx	xx		

* Accounting estimate

Defⁿ:- Acc. Est are monetary amounts in Fin. Stat that are subject to measurement uncertainty.

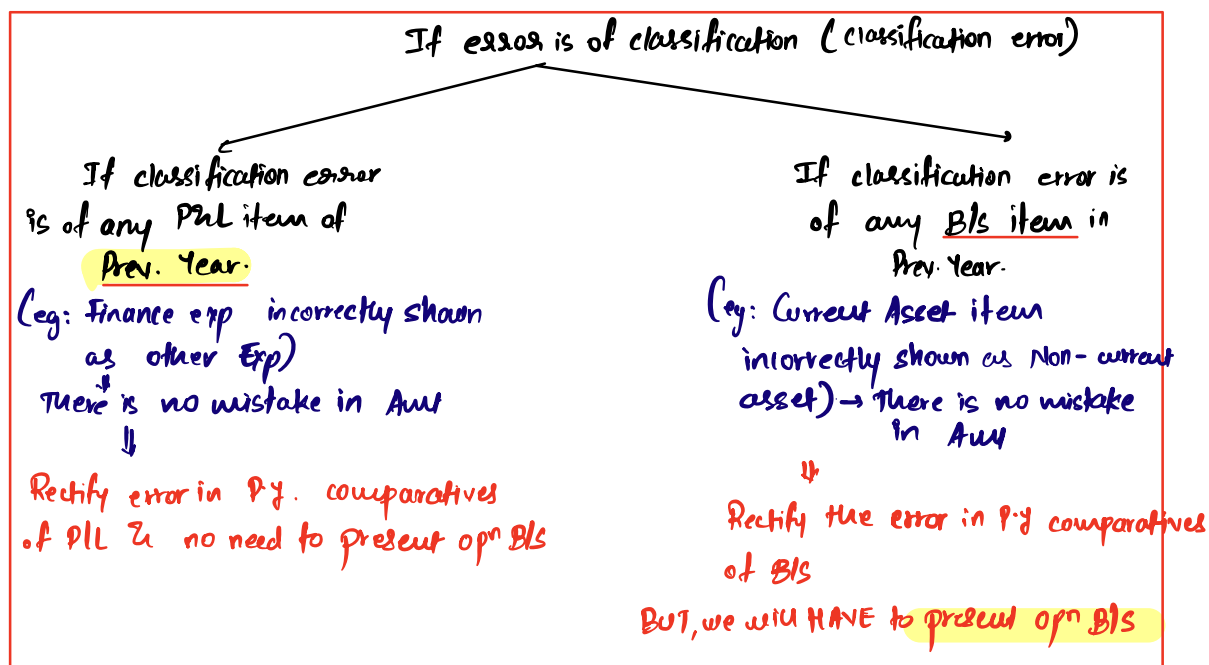
The Co. develops Acc. Est to achieve objective set out by Acc. Policy



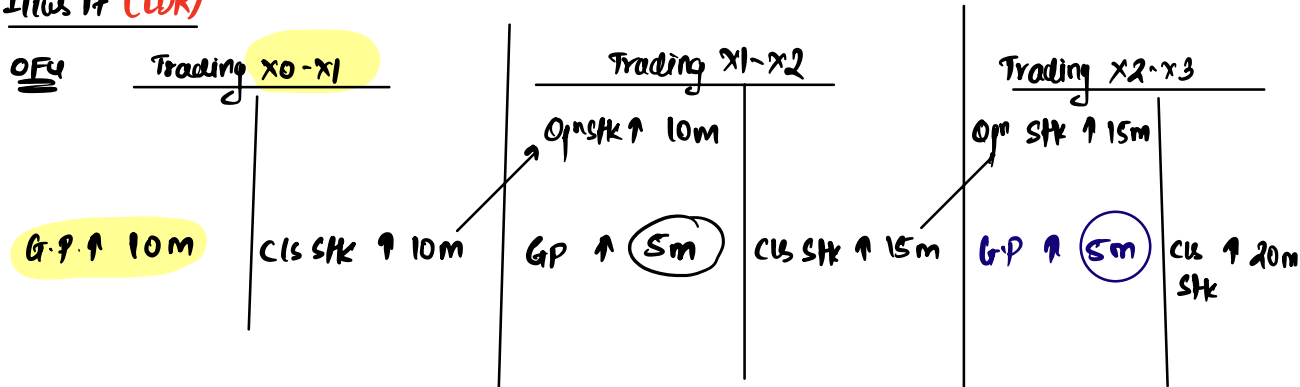
Acc. Est involves use of judgements based on latest info available.

Examples

- 1) loss Allowance for expected credit losses (Ind AS 109)
- 2) NRV of Inventory
- 3) Fair value of Asset or Liab
- 4) Depn of PPE
- 5) Pro for warranty



Illus 17 (LOR)



→ As per New Method (w.a.m)

PIL (Extract)	C.J. (X2-X3)	P.J. (X1-X2)
Revenue	324	296
(-) COGS (Op ⁿ + Purch (-) Cl ^s)		(159)
x1-x2 (164 + 10m (-) 15m)	(168)	
x2-x3 (173 + 15m - 20m)		
Gross Profit	156	137
(-) Expenses	(83)	(74)
Profit	73	63

→ (Restated)

SOLE Extract → Opⁿ Day of P.Y.

Particulars	(X0-X1)	₹
Retained Earnings for 31.3.X1		423
(+) Effect of change in method (X0-X1) 10		
Restated Profit 01.04.X1		433
(+) Profit x1-x2 (Restated)		63 (58+5)
31.3.X2		496
(+) Profit x2-x3		73
31.3.X3		569

→ Refer Trading A/c X0-X1

Illus 18 (LDR)

OFU P.J. (x3-x4) → CU Stk is inflated

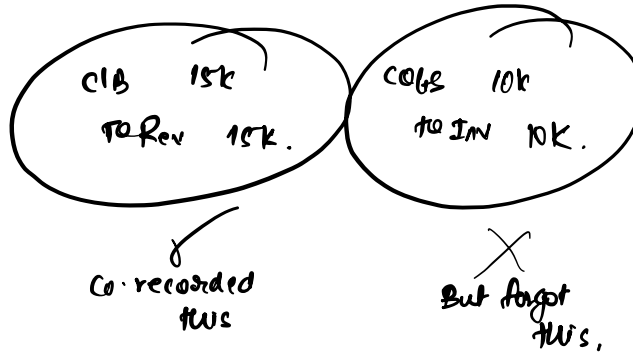
P.J. CU Stk ↓ 6500, GP ↓ 6500, COGS ↑ 6500
Exp. → Exp Badhega tabhi
toh profit girega

Opn is also
inflated, toh
usko bhi girao

C.J. Opn Stk ↓ 6500, GP ↑ 6500, COGS ↓ 6500

Eg: Inv 10k
15k S.P.

OFU



PIL Extract	C.J. (x4-x5)	P.J. (x3-x4) <i>Restated</i>
Revenue	104000	73500
(-) <u>COGS</u>		
x3-x4 (53500 + 6500)		(60000)
x4-x5 (86500 - 6500)	(80000)	
PBT	24000	13500
(-) Income Tax @ 30%	(7200)	(4050)
PAT	16800	9450
Basic & Diluted EPS (No. of shares = 5000)	3.36 ($\frac{16800}{5000 \text{ shares}}$)	1.89 ($\frac{9450}{5000}$)

SOLE (Extract)	Esc	o/f (Ret-Ev)	Total
01.04.73	50000	20000	70000
(+) Profit (Restated) 73-74	-	9450	
31.3.74	50000	29450	79450
(+) Profit (74-75)	-	16800	
31.3.75	50000	46250	96250

Note: Effect on 73-74 → compare old figures & restated figures → Refer Q.B.

Ques 3 (LOR)

WN 1 Error (Write 1 line) Error - Retrospective

<u>X1-X2 (P.Y.)</u>	<u>X2-X3 (C.Y.)</u>
Clus SHK ↓ 6500	Opn SHK ↓ 6500
GP ↓ 6500	GP ↑ 6500
Costs ↑ 6500	Costs ↓ 6500

WN 2 Change in Policy (from cost to Revaluation) → Retrospective.

<u>Opn B/Ls</u>	<u>P.Y.</u>	<u>C.Y.</u>
(X0-X1)	(X1-X2)	(X2-X3)
Gain 15k	2k	5k
(Cost (-) Fair Value)	(15k (-) 20k)	(20 (-) 25k)
3k (-) 18k		

WN 3 Acc. Est (Deprn) (Write 1 line) concept.

Asset Cost at 04.X0	6000	(life 4yrs)
(-) Deprn (X0-X1)	<u>(1500)</u>	
31.3.X1	4500	(life 3yrs)
(-) Deprn (X1-X2)	<u>(1500)</u>	
31.3.X2	3000	
(-) Deprn (<u>X2-X3</u>)	<u>(600)</u>	
<u>C.Y.</u>		

(Remaining Revised Life = ~~7yrs~~ 5yrs)

Note: ICAI has taken effect of Revised life from X2-X3.

Alternatively, we can also taken the impact from X3-X4.

<u>PIL (Extract)</u>	(x2-x3) C-y.	(x1-x2) P-y.
Sales	104000	72500
[*] (-) COGS	(79100)	(60000)
	(86500 (-) 6500 (-) 1500 + 600) WNI wrong Depn. correct usual wala wala Bahar record kiya kiya	(53500 + 6000) (WNI)
Gross Profit	24900	12500
(+) Other Income (WNI)	5000	2000
PBT	29900	15500
less: tax @ 30%	(8970)	(4650)
PAT	20930	10850

SOCE (Extract) → Day ① of P-y.

Opn R-E 01-04-x1	20000
[*] (+) Adj of x0-x1 (net of tax)	15000 10500
Restated R-E 01-04-x1	30500
(+) Profit P-y (x1-x2)	10850
	41350
(+) Profit C-y (x2-x3)	20930
31.3.x3	<u>62280</u>