Nov 2025 & Onwards

CA FINAL

FINANCIAL REPORTING

MCQs & Case Scenarios Booklet

CA Nitin Goel

INDEX

CASE SCENARIOS

Note: Case Scenarios 1 to 35 are covered by ICAI in their Case Scenario Booklet

IND AS 10: EVENTS AFTER THE REPORTING PERIOD

ICAI MCQs

1. The objective of Ind AS 10 is to prescribe:
   a) The disclosures that an entity should give about the date when the financial statements were approved for issue
   b) The disclosures about events after the reporting period
   c) None of the above
   d) Both (a) and (b)

2. What is the date of approval for issue of the financial statements prepared for the reporting period from 1st April, 20X1 to 31st March, 20X2, in a situation where following dates are available?
   a) Completion of preparation of financial statements 15th April, 20X2
   b) Board reviews and approves for issue 25th April, 20X2
   c) Available to shareholders 16th May, 20X2
   d) Filed with regulatory authority 30th May, 20X2

3. On 15th April, 20X2, a major earthquake disrupted the entire operations of a reputed company. The Company suffered huge loss due to the damage caused to its factories and other business premises. The Companys insurance policy does not cover the risk of loss arising from natural disasters. The Company does not have sufficient internal funds or the availability of external finance to rebuild the infrastructure necessary for it to resume its business operations. The Board of the company is also not sure about the future of the company. The Company has prepared the financial statements for the year ending 31st March, 20X2 which is approved in the board meeting dated 20th April, 20X2. How this event impact the financial statement of the company?
   a) Adjustment in financials are required based on fundamental change in the basis of accounting (i.e. not following going concern)
   b) Disclosure is required
   c) Nothing is required
   d) Both (a) & (b)

4. According to Ind AS 10, when management of an entity is required to issue its financial statements to a supervisory board for issue, the financial statements are said to be approved when:
   a) Shareholders approve the financial statements
   b) Filed with the regulatory authorities
   c) Approved by the supervisory Board
   d) Management approve the financial statements for issue to the supervisory Board

5. A company XYZ took a long-term loan from bank. Before the end of the reporting date there is a breach in the terms which are material for this loan. The amount stands payable on demand by the company to bank. After the reporting date but before approval of the financial statements for issue, company entered into an agreement with the bank, pursuant to which the loan is not payable on demand. This loan will be treated as:

a) Adjusting event
b) Non-adjusting event
c) Principal amount is non-adjusting event and interest portion is adjusting event
d) The company has the choice to treat it either adjusting event or non-adjusting event

6. The management of a company decided and announced a plan to discontinue the operations and liquidate the company after the reporting date. According to Ind AS 10 Events after the reporting period the company shall:
a) Prepare its financial statements on a going concern basis
b) Not prepare its financial statements on a going concern basis
c) Prepare the financial statement on going concern basis with disclosures as per Ind AS 1
d) Prepare financial statement on going concern basis with no disclosures requirement

7. Moon Ltd having issued share capital of 15,00,000 shares decided to offer two options for dividend per share- Option (i)- 10 Bottles of perfume (Fair Market Value (FMV) per bottle = ₹ 75) Option (ii)- Dividend payment of ₹ 700 The probability of shareholders selecting non-cash vis--vis cash option is estimated at 60:40. Calculate the amount at which dividend shall be initially recognized. Later on, if on date of settlement the FMV of bottle is ₹ 90 and accordingly, the ratio for non-cash vis--vis cash option becomes 80:20, then how much amount shall be debited to equity?
a) ₹ 1,05,00,00,000; ₹ 24,00,00,000
b) ₹ 1,12,50,00,000, ₹ 16,50,00,000
c) ₹ 1,09,50,00,000, ₹ 19,50,00,000
d) ₹ 1,35,00,00,000, Nil

8. Event after the reporting period are those events that occur between the end of the reporting period and the date ________________
a) When the financial statements are approved by the Board of Directors
b) Of Annual General Meeting
c) Of signing of the financial statements by the auditors
d) Of finalization of the financial statements by the management after final discussion with auditors

9. On 15th January, 20X2, Alpha Ltd. filed a suit against Beta Ltd. for recovery of ₹ 10 lakhs. On 15th April, 20X2, the court case confirms that Beta Ltd. will have to pay the amount to Alpha Ltd. The financial statements are approved by the Board on 20th May, 20X2. What will be the treatment of ₹ 10 lakhs in the financial statements of Beta Ltd. on the reporting date i.e. 31st March, 20X2 as per Ind AS 10?
a) Disclose it as a contingent liability
b) Recognise liability for ₹ 10 lakhs
c) Recognise provision for ₹ 10 lakhs
d) No treatment

10. The financial statements of Star Ltd. for financial year 20X1-20X2 were approved by the Board for issue on 24th May, 20X2. The management discovered a major fraud and decided to reopen the books of account. The financial statements were subsequently approved by the Board of Directors on 31st May, 20X2. What is the date of approval for issue as per Ind AS 10 in the given case?
a) 24th May, 20X2
b) 31st May, 20X2
c) Either (a) or (b)
d) Neither (a) nor (b)

ADDITIONAL MCQs

11. Best Ltd is a company which buys agricultural produce from wholesale suppliers for retail to the general public. It is preparing its financial statements for the year ending 30 September 20Y4 and is considering its closing inventory. In addition to Ind-AS 2 Inventories, which of the following IND AS may be relevant to determining the figure to be included in its financial statements for closing inventories?
   a) Ind-AS 10 Events After the Reporting Period
   b) Ind-AS 115 Revenue from Contracts with Customers
   c) Ind-AS 16 Property, Plant and Equipment
   d) Ind-AS 41 Agriculture

12. Excellent Ltd. built a new factory building during 20X9 at a cost of ₹ 20 million. At December 31, 20Y3, the net book value of the building was ₹ 19 million. Subsequent to year-end, on March 15, 20Y4, the building was destroyed by fire and the claim against the insurance company proved futile because the cause of the fire was negligence on the part of the caretaker of the building. If the date of authorization of the financial statements for the year ended December 31, 20Y3, was March 31, 20Y4, Excellent Ltd. should
   a) Write off the net book value to its scrap value because the insurance claim would not fetch any compensation
   b) Make a provision for one-half of the net book value of the building
   c) Make a provision for three-fourths of the net book value of the building based on prudence
   d) Disclose this non-adjusting event in the footnotes

13. Ind-AS 10 Events after the reporting period categorizes events into adjusting and non-adjusting. The discovery or fraud or error after the reporting date that shows that the financial statements were incorrect needs to be –
   a) Adjusted in the financial statements
   b) Disclosed as it is a non-adjusting event
   c) Quantified and disclosed in the notes to the account
   d) Quantified and disclosed in the Notes to the accounts as well as Director's report.

14. Ram Ltd is in the process of preparing its financial statements for 20X6. On 15 January 20X7, it receives information that one of its major customers, Sham Enterprises, has gone bankrupt. The financial statements showed $32.5m as receivable from Sham Enterprises. Does this information help confirm a figure in the accounts at the end of the reporting period? Is this an event which will require adjustment?
   a) True
   b) False
   c) Can't say
   d) None of the above

15. On 1 October 20X1, Jerry Ltd. subscribed for 40 million. ₹ 1 loan note in Cat Ltd. The loan notes were issued at 90 paise and were redeemable at ₹ 1.20 on 30 September 20X6. Interest is payable on 30 September in arrears at 4% of par value. This represents an effective annual rate of return for Jerry Ltd. of 9.9%. Jerry Ltd. intends to hold the loan notes until redemption. Until 30 April 20X2 Cat Ltd. was a successful company with a good reputation for settling all its liabilities at their due dates.

However, due to an event which occurred on 30 April 20X2, three of Cat Ltd's major customers became insolvent and this caused liquidity problems for Cat Ltd. During May 20X2 Cat Ltd entered into negotiations with all its creditors, including Jerry Ltd. Jerry Ltd. agreed to forego the interest payments due on 30 September 20X2 and 20X3. with the Payments from 30 September 20X4 onwards resuming as normal. What Is the nature of event which occurred on 30 April 20X2, wherein three of Cat Ltd's major customers became Insolvent and thus causing liquidity problems for Cat Ltd.?

a) Non adjusting event
b) Adjusting event
c) Prior period error
d) None of the above

Answers:

1: (d)	2: (b)	3: (d)	4: (d)	5: (a)	6: (b)	7: (c)	8: (a)
9: (c)	10: (b)	11: (a)	12: (d)	13: (a)	14: (a)	15: (a)	

IND AS 12: INCOME TAXES

ICAI MCQs

1. Entity A has calculated taxable temporary differences of ₹ 50,00,000 and deductible temporary differences of ₹ 20,00,000 on separate items. The tax rate of the current year is 35%. However, tax rate in the previous year is 30% and it is expected that in future the tax rate would be 40%. What basis should be used for measurement of deferred tax assets and liabilities?
   a) 30%
   b) 35%
   c) 40%
   d) 5%

2. During the year ended 31 March 20X1, Zee Ltd has acquired 60% shares of Global. In accordance with Ind AS 103 Business Combinations, goodwill arising on acquisition of subsidiary amounted to INR 20 lakh. The tax rate applicable for Zee Ltd is 30% The deferred tax liability relating to goodwill will be:
   a) INR 6,00,000
   b) INR 36,000
   c) INR 3,60,000
   d) Zero

3. To calculate the tax base of a liability for employee benefits, which one of the following formulas would be used?
   a) Carrying amount + Future assessable amounts
   b) Carrying amount ? Future non-assessable amounts of revenue
   c) Carrying amount+ Future deductible amounts ? Future assessable amounts
   d) Carrying amount? Future deductible amounts + Future assessable amounts

4. Star Ltd expects that it will earn a minimum of ₹ 250 lakh per year for the anticipatable future and will be subject to 30% tax. A liability for ₹ 50 lakh in respect of accrued product warranty costs has been recognised by Star Ltd. For tax purposes, the product warranty costs will be deductible when the enterprise claims or incurs the costs. In accordance with Ind AS 12 Income Taxes, which of the following Star Ltd should recognise as a deferred tax asset /liability?
   a) A deferred tax asset of ₹ 15 lakh
   b) A deferred tax liability of ₹ 15 lakh
   c) A deferred tax liability of ₹ 35 lakh
   d) Neither a deferred tax asset or liability

ADDITIONAL MCQs

5. A deductible temporary difference generates a
   a) Deferred tax Liability.
   b) Deferred tax Asset.
   c) Either 1 or 2
   d) Current tax liability

6. A company's estimate of its current tax liability for the year to 31 December 20Y2 differed from the actual tax liability by ₹ 10,000. This resulted in a credit balance of ₹ 10,000 being shown in the company's trial balance as at 31 December 20Y3. The current tax liability for the year to 31 December 20Y3 is estimated to be ₹ 340,000. The current tax expense which should be shown in the statement of profit or loss for the year to 31 December 20Y3 is:
   a) ₹ 10,000
   b) ₹ 340,000
   c) ₹ 350,000
   d) ₹ 330,000

7. A trade receivable has a carrying amount of ₹ 100. The related revenue has already been included in taxable profit (loss). The tax base of the trade receivable is
   a) ₹ 100 calculated as the carrying amount
   b) ₹ 100 calculated as the carrying amount less the amount that will be deductible in future i.e. ₹ Nil.
   c) ₹ 100 being amount deductible in future
   d) exempt from tax in future

8. The cost of a depreciable fixed asset is ₹ 150,000. Tax depreciation claimed as a deduction up to the reporting date is ₹ 90,000. In the financial books, the tax depreciation claimed is ₹ 50,000. Tax rate is 40%. The amount to be recognised in the financial statements for deferred tax is
   a) Deferred tax liability of ₹ 16,000
   b) Deferred tax asset of ₹ 16,000
   c) Deferred tax liability of ₹ 40,000
   d) none of the above

9. Warranty amount provided in the books of account is ₹ 100,000. The taxation law does not permit the deduction until the company does not pay actual claims. Tax rate applicable to the company is 40%. The amount to be recognized in the financial statements for deferred tax is
   a) Deferred tax liability of ₹ 16,000
   b) Deferred tax asset of ₹ 40,000
   c) Deferred tax liability of ₹ 40,000
   d) None of the above

10. A Ltd. has been following the cost model for measuring its Property, plant and equipment. In the current year it decided to change to the Revaluation model. As a result of the revaluation exercise it restated the carrying value of the entire class of property, plant and equipment from ₹ 16 crores to ₹ 20 crores. However, for tax purposes, depreciation will not be admissible on the appreciated gross block but only on the original gross block of the PPE. Assuming a corporate tax rate of 30%, the entity should recognise:-
    a) ₹ 1.2 crores deferred tax asset
    b) ₹ 1.2 crores deferred tax liability
    c) None of the above
    d) ₹ 6 crores deferred tax liability

11. 'Interest received in advance' recognized in the financial statements of ABC Ltd is ₹ 10,00,000 which is taxed on cash basis but accounted for on accrual basis. The tax base of an interest received in advance is -
    a) ₹ 10,00,000
    b) ₹ Nil
    c) ₹ 7 lakhs [i.e. ₹ 10 lakhs minus 30% tax rate]
    d) ₹ 3 lakhs [i.e. ₹ 10 lakhs x 30% tax rate]

12. Under Ind-AS 12 Income taxes, deferred tax assets arising from deductible temporary differences are recognized when.
    a) There is a reasonable expectation of realisation
    b) It is probable that taxable profit will be available against which the deferred tax asset can be utilized
    c) The timing difference arises except when the carrying amount and tax base differs at initial recognition
    d) It is virtually certain that the timing difference will be realized

13. The current liabilities of an entity include fines and penalties for environmental damage. The fines and penalties are stated at ₹ 10 million. The fines and penalties are not deductible for tax purposes. What is the tax base of the fines and penalties?
    a) ₹ 10 million
    b) ₹ 3 million
    c) ₹ 13 million
    d) Zero

14. A loan receivable has a carrying amounted of ₹ 100. The repayment of the loan will not have any tax consequences. What is the tax base of the loan receivable?
    a) The tax base of the loan is of ₹ 100
    b) The tax base of the loan is of ₹ Nil
    c) Since repayment of the loan has no tax consequences, as per Ind-AS12 we should not calculate the tax base
    d) None of the above

15. The cost of an asset is ₹ 10,00,000. For the 1st year, the accounting depreciation is ₹ 1,60,000 and tax depreciation is ₹ 2,50,000. The entity plans to use the asset. The tax rate for capital gains if the entity sells the asset is 15%. The tax rate for business profits is 25%. The deferred tax implications are:-
    a) Recognize deferred tax liabilities of ₹ 22,500
    b) Recognize deferred tax assets of ₹ 22,500
    c) Recognize deferred tax liabilities of ₹ 13,500
    d) Recognize deferred tax assets of ₹ 13,500

16. A Ltd. has a subsidiary B Ltd. Dividends receivable from B ltd have a carrying amount of ₹ 100. The dividends are not taxable. The tax rate in the economy is presumed to be 30%. The tax base of the dividend receivable is:
    a) ₹ Nil
    b) ₹ 100
    c) ₹ 300
    d) ₹ 150

Answers:

1: (b)	2: (d)	3: (d)	4: (a)	5: (b)	6: (d)	7: (b)	8: (a)
9: (b)	10: (b)	11: (b)	12: (b)	13: (a)	14: (a)	15: (a)	16: (b)

IND AS 16: PROPERTY, PLANT & EQUIPMENT

ICAI MCQs

1. Progress Ltd chooses to revalue property under Ind AS 16. On 31st March 20X1, their head office building is valued at ₹ 30 lakh when it is recorded in the financial statements at historical cost of ₹ 25 lakh with ₹ 4.5 lakh of accumulated depreciation charged against it. Which of the following statements is true regarding the accounting treatment of the property?
   a) A revaluation gain of ₹5 lakh should be recorded through other comprehensive income, grouped with other items that will not subsequently be reclassified to profit or loss
   b) A revaluation gain of ₹ 5 lakh should be recorded through profit or loss
   c) A revaluation gain of ₹ 9.5 lakh should be recorded through other comprehensive income, grouped with other items that will not subsequently be reclassified to profit or loss
   d) A revaluation gain of ₹ 9.5 lakh should be recorded through other comprehensive income, grouped with other items that will subsequently be reclassified to profit or loss

2. Under Ind AS 16, which two subsequent accounting treatments are allowed subsequently to initial recognition?
   a) Cost model and present value model
   b) Cost model and revaluation model
   c) Fair value model and revaluation model
   d) Fair value model and cost model

3. When it is ____that future economic benefits associated with an asset will flow to the entity, and the cost of the asset can be _____ measured, it should be recognized as an asset.
   a) Possible, reasonably
   b) Possible, reliably
   c) Probable, reliably
   d) Probable, reasonably

4. Which of these is an allowable cost of an asset for capitalization under Ind AS 16?
   a) Professional fees
   b) General overheads
   c) Initial operating losses
   d) Administration expenses

5. Under Ind AS 16, how often should the useful life of an asset be reviewed?
   a) At least at each financial year end
   b) Every six months
   c) At managements discretion
   d) Never

6. When an asset is sold or disposed of, where is the gain or loss recognized?
   a) Asset disposal account
   b) Profit and loss
   c) Revaluation reserve
   d) Depreciation

7. A Limited has stopped manufacturing operations in its plant for 3 months in the year ended 31st March, 20X1. How should A limited account for depreciation relating to the 3 months in which plant was idle under Ind AS 16?
   a) No depreciation should be charged for 3 months
   b) Depreciation for 3 months in which plant was idle should be recognized in other comprehensive income
   c) Depreciation for 3 months in which plant was idle should be recognized in retained earnings
   d) Depreciation for 3 months in which plant was idle should be recognized in profit or loss

8. If one large asset has a number of individual components with different useful lives, how should this be depreciated?
   a) Treat as one asset and depreciate in accordance with highest useful life of the component
   b) Break down into different components and depreciate every component separately as per the useful life of that component
   c) Expense it all
   d) Treat as one asset, but disclose only in the notes to the financial statements

9. India Turnings Limited has adopted revaluation model, as per Ind AS, since 1st April, 20X1 to measure its property, plant and equipment (PPE) and have revalued it as follows:
   (i) As on 1st April, 20X1 PPE has been revalued up by ₹ 3,00,000
   (ii) As on 31st March, 20X2 PPE has been revalued down by ₹ 3,60,000
   (iii) As on 31st March, 20X3 PPE has been revalued up by ₹ 5,00,000 How will the increase in year 20X2-20X3 be recognized in the financials of India Turnings Limited?

   a) ₹ 5,00,000 is credited to other comprehensive income
   b) ₹ 60,000 is credited to profit and loss account and ₹ 4,40,000 is credited to other comprehensive income
   c) ₹ 60,000 is credited to other comprehensive income and ₹ 4,40,000 is credited to profit and loss account
   d) ₹ 5,00,000 is credited to profit and loss account

10. When the revaluation model is used for PPE the gain on revaluation should be treated as
   a) Income in the Statement of profit and loss for the period
   b) Gain from revaluation in the income statement
   c) A revaluation surplus accounted in OCI
   d) An extraordinary gain or loss in the income statement

ADDITIONAL MCQs

11. On January 1, 2020, Robust Ltd. purchased heavy-duty equipment for ₹ 400,000. On the date of installation, it was estimated that the machine has a useful life of ten years and a residual value of ₹ 40,000. Accordingly, the annual depreciation worked out to ₹ 36,000 = [(₹ 400,000 – ₹ 40,000)/10].

    On January 1, 2024, after four years of using the equipment, the company decided to review the useful life of the equipment and its residual value. Technical experts were consulted. According to them, the remaining useful life of the equipment at January 1, 2024, was seven years and its residual value was ₹ 46,000. The revised annual depreciation for the year 2024 and future years will be

a) ₹ 30,000
b) ₹ 32,181
c) ₹ 35,714
d) ₹ 25,000

12. Airtime Co. acquired a passenger carrier airplane in 20Y0 having cost of the frame for ₹ 4,600,000 and its engine cost ₹ 600,000.
In 20Y1, the engine was replaced with a new engine costing ₹ 1,100,000. At the time of replacement, the accumulated depreciation to date for the frame was ₹ 1,750,000 and on the engine was ₹ 400,000. As per Ind-AS 16, the amount to be derecognised at the date of replacement will be –
a) ₹ NIL
b) ₹ 200,000
c) ₹ 600,000
d) ₹ 1,100,000

13. Under Ind-AS 16, Property, Plant and Equipment, the useful life of an asset is defined in terms of the asset's expected utility to the entity. The asset management policy of the entity may involve the disposal of assets after a specified time or after consumption of a specified proportion of the future economic benefits embodied in the asset. Therefore, the Options are:-
a) Useful life of an asset may be shorter than its economic life
b) Economic life of an asset may be shorter than its useful life
c) Economic life of the asset is a matter of judgment
d) Asset may be depreciated in a manner that reflects the future maintainable economic benefits

14. Cost of property, plant and equipment (Ind-AS 16) is calculated as:
a) Purchase price net of any discounts + directly attributable costs – accumulated depreciation
b) Purchase price + transport costs + installation cost
c) Purchase price net of any discounts + directly attributable costs – accumulated depreciation – impairment loss
d) Purchase price net of any discounts + directly attributable costs + the initial estimate of costs for dismantling and removing the asset and restoring the site

15. On January 1, year 1, an entity acquires for ₹ 100,000 a new piece of machinery with an estimated useful life of 10 years. The machine has a drum that must be replaced every five years and costs ₹ 20,000 to replace. Continued operation of the machine requires an inspection every four years after purchase; the inspection cost is ₹ 8,000. The company uses straight-line method of depreciation. What is the depreciation expense for year 1?
a) ₹ 10,000
b) ₹ 10,800
c) ₹ 12,000
d) ₹ 13,200

16. On 1 January 2024 an entity acquired a building for ₹ 95,000, including ₹ 5,000 non-refundable purchase taxes. The purchase agreement provided for payment (including payment of the purchase taxes) to be made in full on 31 December, 2024. Legal fees of ₹ 2,000 were incurred in acquiring the building and paid on 1 January, 2024. The building is occupied by the entity's administrative staff. An appropriate discount rate is 10 per cent per year. What is the initial cost of the building?

a) ₹ 102,000
b) ₹ 97,000
c) ₹ 88,364
d) ₹ 107,000

17. Ind-AS 16 requires that revaluation surplus resulting from initial revaluation of property, plant, and equipment should be treated in one of the following ways
   a) Credited to retained earnings as this is an unrealised gain.
   b) Released to the income statement an amount equal to the difference between the depreciation calculated on historical cost vis-à-vis revalued amount.
   c) Deducted from current assets and added to the property, plant, and equipment.
   d) Debited to the class of property, plant, and equipment that is being revalued and credited to a reserve captioned “revaluation surplus,” which is presented under “equity.”

18. Healthy Co. bought a private jet for the use of its top-ranking officials. The cost of the private jet is ₹ 15 million and can be depreciated either using a composite useful life or useful lives of its major components. It is expected to be used over a period of 7 years. The engine of the jet has a useful life of 5 years. The private jet’s tyres are replaced every 2 years. The private jet will be depreciated using the straight-line method over
   a) 7 years composite useful life.
   b) 5 years useful life of the engine, 2 years useful life of the tyres, and 7 years useful life applied to the balance cost of the jet.
   c) 2 years useful life based on conservatism (the lowest useful life of all the parts of the jet).
   d) 5 years useful life based on a simple average of the useful lives of all major components of the jet.

19. An entity owns a building which originally costs ₹ 200,000. The property is depreciated over 50 years on a straight-line basis with no residual value. The entity follows revaluation model. At the start of year 2, the building was re-valued at ₹ 230,000. The amounts transferred from the revaluation surplus to retained earnings is ___________
   a) ₹ 694
   b) ₹ 660
   c) ₹ 600
   d) ₹ 0

20. An entity imported machinery to install in its new factory premises before year-end. However, due to circumstances beyond its control, the machinery was delayed by a few months but reached the factory premises before year- end. While this was happening, the entity learned from the bank that it was being charged interest on the loan it had taken to fund the cost of the plant. What is the proper treatment of freight and interest expense under Ind AS 16?
   a) Both expenses should be capitalised.
   b) Interest may be capitalised but freight should be expensed.
   c) Freight charges should be capitalised but interest cannot be capitalised under these circumstances.
   d) Both expenses should be expensed.

21. Items such as spare parts, stand by equipments and servicing equipments -
    a) Are recognised in accordance with Ind-AS 16 when they meet the defined of PPE
    b) Are not recognised in accordance with Ind-AS 16 but are classified as inventory as per Ind-AS 2
    c) Are always classified as PPE in accordance with Ind-AS 16
    d) Neither classified as PPE nor inventory but as classified as consumables and charged to Income statement

22. Global Inc. owns a fleet of over 100 cars and 20 ships. It operates in a capital-intensive industry and thus has significant other property, plant, and equipment that it carries in its books. It decided to revalue its property, plant, and equipment. The company's accountant has suggested the alternatives that follow. Which one of the options should Global Inc. select in order to be in line with the provisions of Ind-AS 16?
    a) Revalue only one-half of each class of property, plant, and equipment, as that method is less cumbersome and easy compared to revaluing all assets together.
    b) Revalue an entire class of property, plant, and equipment.
    c) Revalue one ship at a time, as it is easier than revaluing all ships together.
    d) Since assets are being revalued regularly, there is no need to depreciate.

23. As per Ind-AS 16, Land and Buildings are separable assets and accounted for separately, even if they are acquired together.
    a) True
    b) False

Answers:

1: (c)	2: (b)	3: (c)	4: (a)	5: (a)	6: (b)	7: (d)	8: (b)
9: (b)	10: (c)	11: (a)	12: (b)	13: (a)	14: (d)	15: (d)	16: (c)
17: (d)	18: (b)	19: (a)	20: (c)	21: (a)	22: (b)	23: (a)	

About The Author

CA Nitin Goel is an All India Rank holder at all CA levels (AIR 9 in CPT, AIR 7 in Intermediate, AIR 9 in Final) and a Gold Medalist in B.Com. With 10+ years of teaching experience, he is a renowned Accounts, Advanced Accounts, and Financial Reporting faculty at PW. A former ITC professional, he blends industry insights with teaching. His students consistently score 90+ marks and have secured All India Ranks, including AIR 1, making him a trusted name in CA education.

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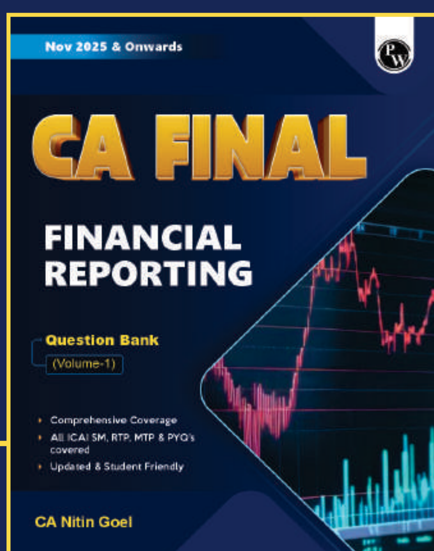

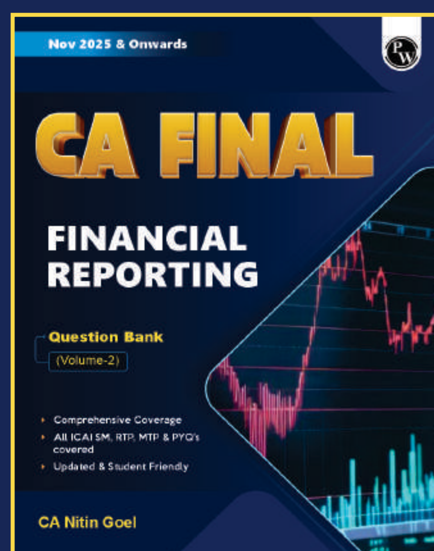

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