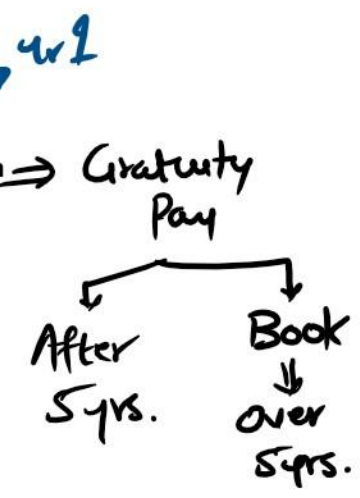


Unacademy Ltd. Limited hired Mr. Aakash for Salary of ₹ 10 lakhs per annum. He is entitled to Gratuity which will be $1\% \times \text{Final Drawn Salary per annum} \times \text{No. of completed years of service}$. Expected growth rate (increment) in salary each year = 10% Expected Employment Period = 5 years Discount Rate = 10%



Gratuity = $1\% \times \text{Final Drawn Salary p.a.} \times \text{No. of comp. yrs of service}$

$10L \times (1.10)^4 \times 5 \text{ yrs}$

$1\% \times 1464100$

Gratuity Payable = 73200 for 5 years

Exp. for each year = $\frac{73200}{5 \text{ yrs}} = 14640$

Yr [end]	Exp.	Payable After	D.F @ 10%	PV
1	14640	4 yrs	0.683	10000
2	14640	3 yrs	0.751	11000
3	14640	2 yrs	0.826	12100
4	14640	1 yr	0.909	13300
5 end	14640	0 yr	1	14640



Year 1 end

Current Serv. Cost \rightarrow P/L [EBE] 10000

\rightarrow Defined Benefit Obligation 10000

[@ N wn 0] \rightarrow [Liab?]

\rightarrow [Grat. Payable]

Definition

1) CSC → It is increase in the value of DBO on account of services rendered in c.y.

2) DBO → It is PV of amt. payable on retirement benefits getting matured.

Yr 2 end
↓
Unwind^g of Yr 1 Exp.

[PIL - EBE]
Int. Cost A/c Dr 1000
TO DBO 1000
[10000 × 10%]

Yr 2 end
↓
Exp Book

CSC A/c Dr 11000
TO DBO 11000

Note: For Unwinding in yr → please do unwinding only on Exp Booked in yr 1 end → In yr 2 dont unwinding of Exp Booked in yr 2.

→ OPⁿ DBO
Year 3 end
↓
Unwinding

DBO ⇒ 4r 4r 2
↓ +
[10K + 1K + 11K]
= 22K × 10%

Int Cost A/c Dr 2200
TO DBO 2200

Yr 3 Exp CSC 12100
TO DBO 12100

Yr 4 end
↓
Unwinding → opn DBO

$$\begin{aligned} & [10K + 1 + 11K + 2200 \\ & + 12100] \\ & = \frac{36300}{100} \times 10\% \\ & = 3630 \end{aligned}$$

Int lost Acc Dr 3630
TO DBO 3630

Yr 4 exp

CSC 13300
TO DBO 13300

Yr 5 end

↓
Unwinding


Int lost Acc Dr 5323
TO DBO 5323

$$\begin{aligned} & [36300 + 3630 \\ & + 13300] \\ & = 53230 \times 10\% \\ & = 5323 \end{aligned}$$

Yr 5 exp →

CSC 14640
TO DBO 14640.

Yr 5 end → Payment DBO 73200
TO CRB 73200


 TO CB 73200
 [73193 \cong 73200]

Defⁿ:-

Int Cost:- It is the increase in value of DBO because obligation comes one year closer

(used) \rightarrow 41 \rightarrow ~~8pm~~

Thur ✓
Frid ✓

Morning

CFS \rightarrow 10am 12pm. Thurs X

End AS 12 \rightarrow (Kee) \rightarrow 2:30:5:30.

	Wednes	Thurs	Friday
CFS	10am to 12pm	—	✓
End AS 12	2:30 to 5:30		
(41) \rightarrow 8:00 PM	End AS 14	✓	✓