

288

300

$288 - 12 = 276$ C/F

300

Payment 12

Salary = 1200000
 Entitlement + 48000
1248000

Payable Dr. 48000
 (B/F) Salary Dr. 1152000
 To Bank 1200000

Salary Dr. 1248000
 To Bank 1200000
 To payable 48000

1st Emp B. Emp 30,30,000
 To Bank 30,00,000
 To payable 30000 ③

2nd Payable Dr. 30000
 Salary Dr. 2970000
 To Bank 30,00,000 ③

Q.INDAS19.SM.504: (SIMILAR TO MTP Apr21)

Mr. Niranjana is working for Infotech Ltd. Consider the following



Particulars	Year 20X0-20X1	Year 20X1-20X2
Annual salary	₹ 30,00,000	₹ 30,00,000
No. of working days during the year	300 Days	300 Days
Leave allowed	10 Days	10 Days
Leave taken	7 Days	13 Days
Leave unutilized carried forward to next year	3 Days	NIL

Based on past experience, Infotech Ltd. assumes that Mr. Niranjana will avail the unutilized leaves of 3 days of 20X0-20X1 in 20X1-20X2.

Infotech Ltd. contends that it will record ₹ 30,00,000 as employee benefits expense in each of the years 20X0-20X1 and 20X1-20X2, stating that the leaves will, in any case, be utilized by 20X1-20X2.

Comment on the accounting treatment proposed to be followed by Infotech Ltd. Also pass journal entries for both the years.

Solution

20X0-X1

Emp. B. Exp Dr. 30,00,000
 To Bank 30,00,000
 To FBE payable 20,000

20X1-X2

Emp. B. Crsp Payable 20,000
F. B. Crsp Dr. 29,80,000
 To Bank 30,00,000

Q.INDAS19.SM.505:

Assume same information as in Q.INDAS19.SM.504.

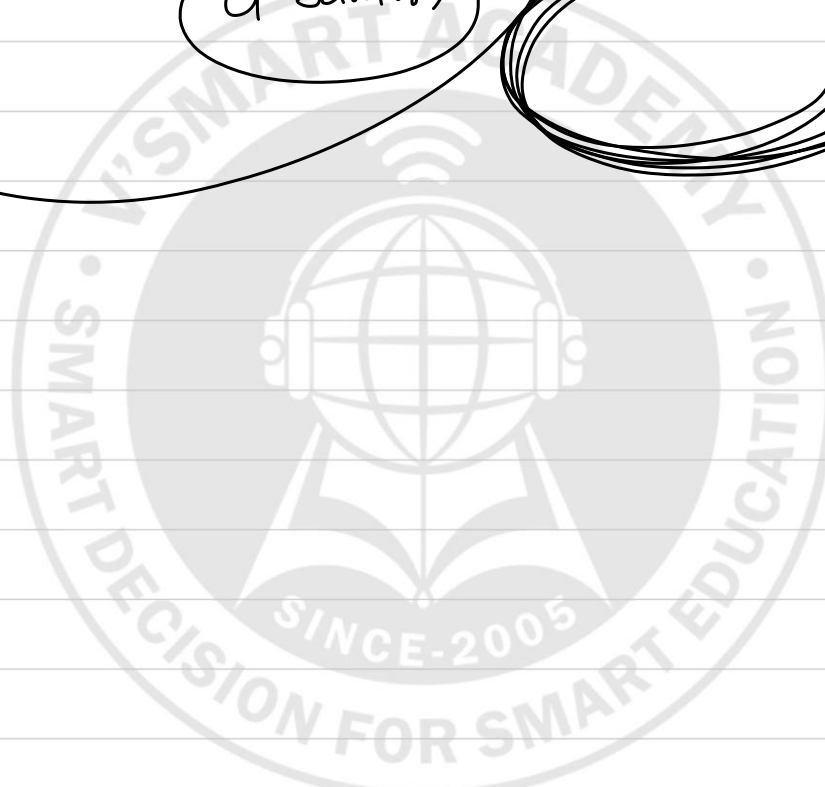
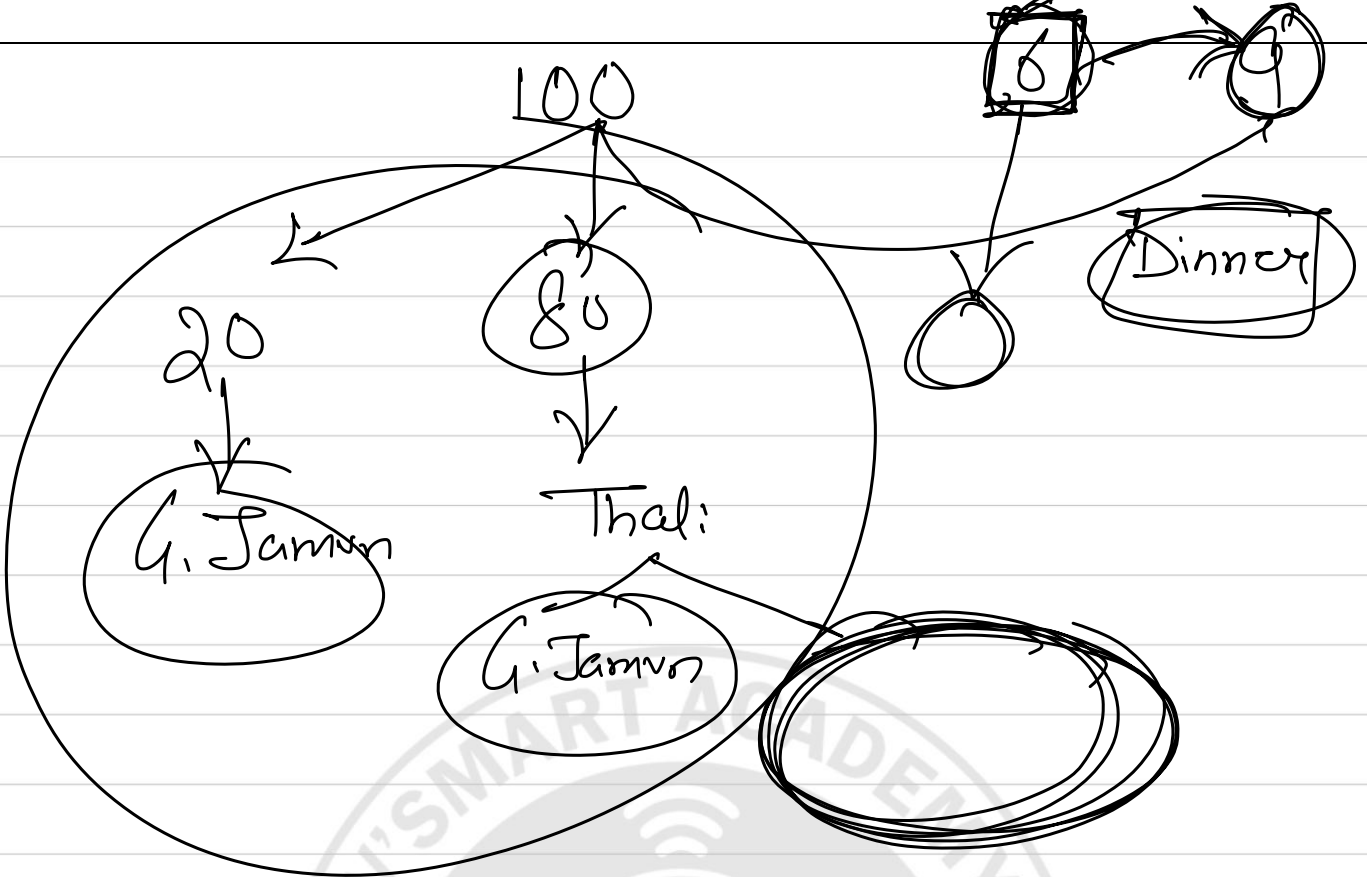
Based on past experience, Infotech Ltd. assumes that Mr. Niranjana will avail the unutilized leaves of 2 days of 20X0-20X1 subsequently.

However, in 20X1-20X2, Mr. Niranjana availed in actual of 3 days of brought forward leave.

Compute the expense to be recognised in 20X0-20X1 and 20X1-20X2. Also pass journal entries for both the years.



SOLUTION



V'Smart Academy