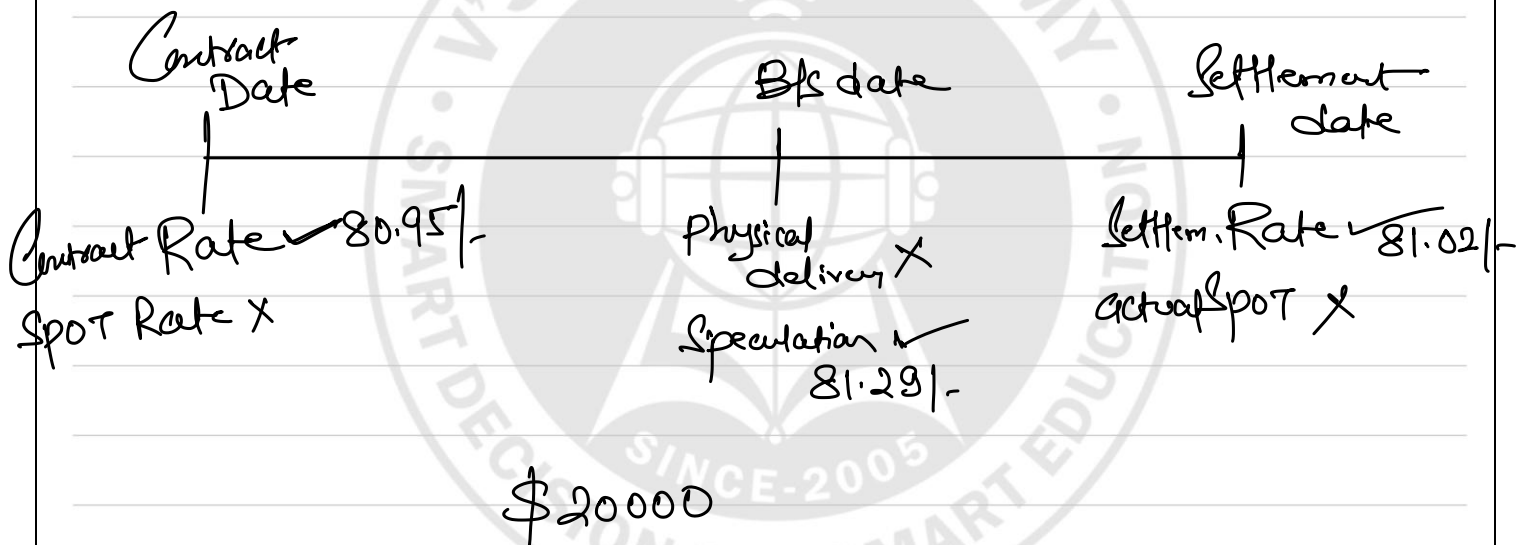




F. Premium/Discount shall be D & A over the life of Contract.

3) Speculation :- Any Contract in foreign currency without any physical delivery when the settlement is made on Net Basis

A/c Treatment :-



$$\text{B/S date} \Rightarrow \text{Gain} \Rightarrow (81.29 - 80.95) \times \$20000 = 6800 \text{ P\&L}$$

$$\text{Settlement date} \Rightarrow \text{Loss} \Rightarrow (81.02 - 81.29) \times \$20000 = 5400 \text{ P\&L}$$

Q101

(b)

Provision:- As per AS 11 (name), Ex. difference arises due to subsequent measurement of FCFI (short term) should be immediately transfer to P&L a/c.

Treatment:-

Initial Reog. @ 80/- = 10,00,000

Subseq. measurement @ 85 = 10,62,500  
 $12500 \times 85$

Increase in Creditors (Loss) = 62,500

It should be directly transfer to P&L as under:-

31/3 Ex. Loss a/c Dr. 62,500  
To JBB Ltd. (Creditors) 62,500

31/3 P&L a/c Dr. 62,500  
To Ex. Loss a/c 62,500

Q104

a) 23077 Ex. gain = P&L

b) 604317 Ex. Loss

P&L

Para 46

Capitalised

Fc mit D/c

Q106

Provision :- As per As 11 ("name") Ex. difference arising on subsequent measurement of Long Term Fcml should be treated as Under :-

a) option 1 :- It should be either transfer to P&L a/c immediately ; (or)

b) option 2 :- If LT Fcml is related to any Depreciable Asset then Ex. difference should be adjusted to the Carrying Amt. of that Asset. (Para 46A)

2) Working :-

Initial Recog. on 1/4/15 @ 60/- 24,00,000  
 $\frac{2400000}{60} = ₹40,000$

Subsequent measure on 3/3/16 @ 62.5 25,00,000  
 $₹40000 \times 62.5$

Ex. Loss = 10,00,000

3) Conclusion :-

Above Ex. Loss should be either transfer to P&L or it should be added to the Carrying amt. of Equipment.

Opportunity Ltd has added to the Cost of Equipment which is correct as per AS 11.

Q108

In the question borrowing rate of 15% P.a is given, it means if we pay immediately we have to borrow the same @ 15% P.a.

If we pay after 6 months, no borrowing is required.