

6) Avg Cost per share :-

$$152000 + 1626100 + 483000 - 42000$$

$$8000 + 7000 + 6000 + 2100$$

$$= 155.29/-$$

7) ^{1/12/20} Sale of 7000 no. $\Rightarrow (7000 \times 260) - 1\% = 1801800$

$$\text{Avg Cost of 7000 no.} \Rightarrow 7000 \times 155.29 = 1087030$$

$$\text{Gain} = 714770$$

8) 25/01/21 :- Interim Dividend received on 16,100 no.

$$16,100 \times 3 = 48300 \text{ (P\&L)}$$

Books of Mr. Z
Investment in Shares of Ltd A/c

Date	Particulars	No.	Divd	Amnt.	Date	Particulars	No.	Divd	Amnt.
1/4	To Balance	8000	-	1520000	16/9	By Bank	-	48000	42000
1/5	To Bank	7000	-	1626100	1/12	By Bank	7000	-	1801800
15/6	To Bonus	6000	-	-	25/1	By Bank	-	48300	-
31/8	To Bank	2100	-	483000	31/3	By Balance	16100	-	2500070
1/12	To Gain	-	-	714770					
31/3	To P&L	-	-	96300					

Note: ① On 31/3 MV is 260/- per share But Avg Cost per share is 155.29/- Since MV is Higher Hence No need to Re-measure the Investments in shares.

② Reclassification:- When Current Invest are Reclassified to LT, then they shall be carried at lower of :- a) Cost or b) FV
 In this case, Avg Cost is 155.29/- & FV on the date of Reclassification is 180/- Hence Reclassification to LT Invest shall be at 155.29/- i.e Same Carrying Amt of 25,00,070/-

<u>Invest in shares</u>	<u>Bonds</u>	<u>MF</u>
Infosys	Secr. & I. 5yr	Aditya
RIL	Sec Fl. 2	Mobile
MRF		KIKI
		HDFC

Cost	100 Cr.
FV	90 Cr.
	<u>10 Cr.</u>

Cost	50 Cr.
FV	55 Cr.
	<u>5</u>

Land & Building

Utilised
in Business

not utilised
in Business

PPE
(AS 10)

Head for Earning
Rental

① Cost (or)

Revaluation upward
Downward

Investment
property
(AS 13)

② Depreciation

Current

lower } Cost
or
MV

Long Term

Only at
Cost

Subject to
Depreciation

$LT \Rightarrow$ Cost ~~100000~~ Carrying
By
100000
 - 10000 P&L
 MV 99000
 97000
 90000
 CA 90000

Q 101

1) Silver & Gold :- Since these are held w/e
 March 2014 and current fy is 16-17 Hence
 these Investments must have been Categorized
 as "Long Term"

As per AS 13, LT Investments are Carried
 at Cost, except when there is "Other
 than Temporary decline".

On 31/3/17, Gold & Silver shall be measured
 at Cost of 40000 & 20000 respectively
 Since MV is Higher.

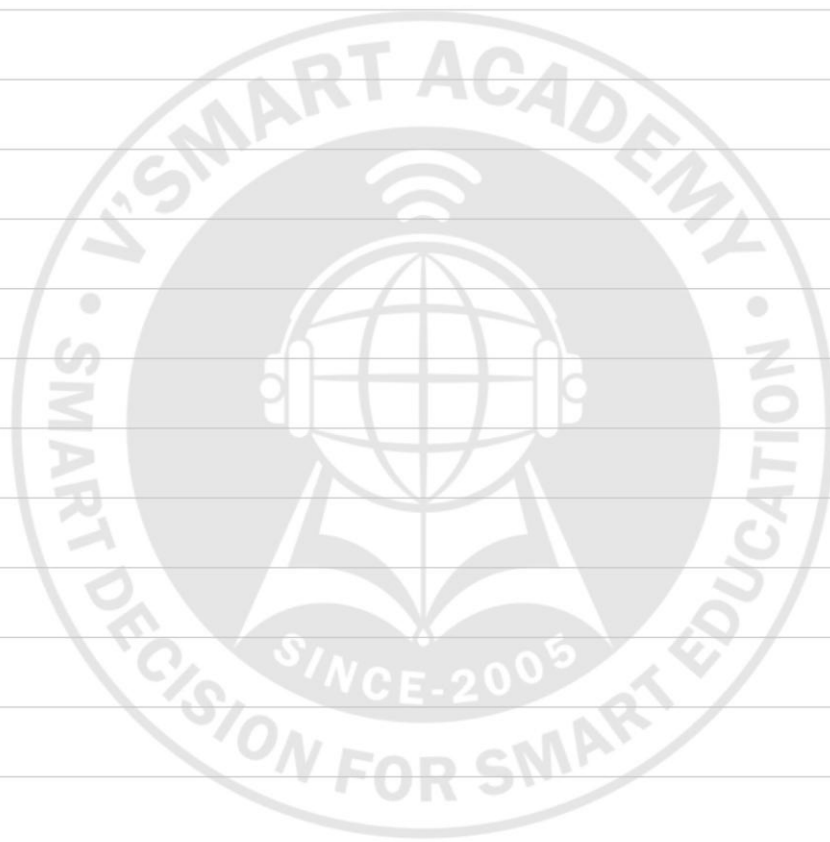
2) Shares :- It is not clear that the shares are intended for Long Term Holding or not.

Alternate 1 :- If Investor has Intention to Hold for less than 12 months then, it will be treated as "Current"

As per As 13, Current Investments are measured at :-
a) Cost or
2) fair value
Whichever is Lower

Hence shares are measured at 225000 (Fr)
& Loss of 25000 shall be recognised.

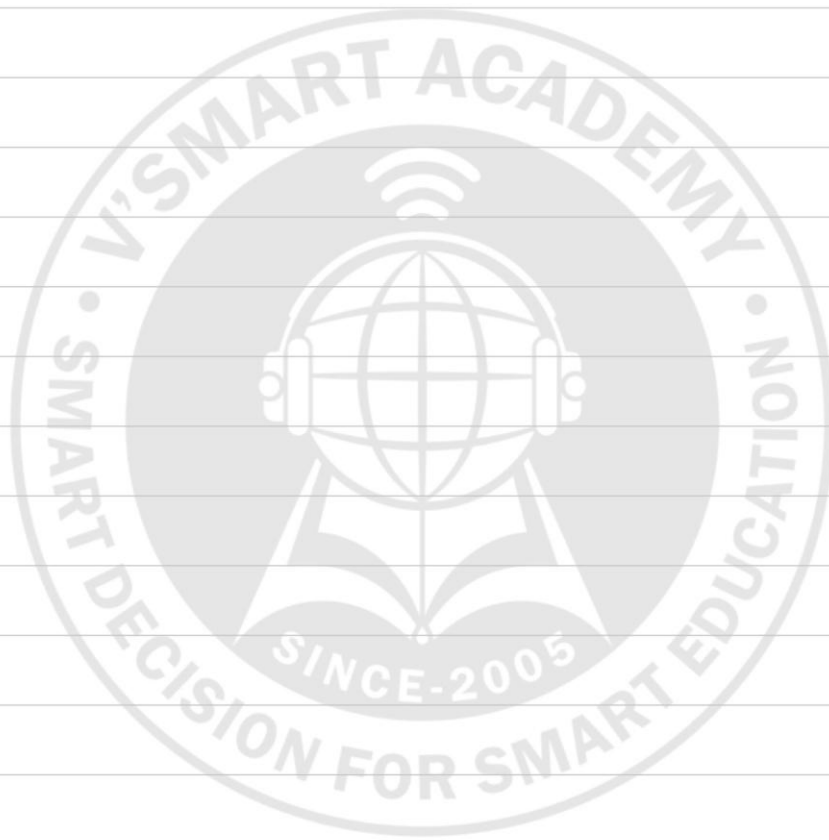
Alternate 2 :-



V'Smart Academy



V'Smart Academy



V'Smart Academy