Cash on Delivery Sales :- Revenue will be recognised when cash is received by the agent or the seller himself.

Sales Return :- Defer revenue in respect of sales return.

Sale & Repurchase Agreement

No revenue should be recognised.
This is a finance transaction where goods are given as security.
When amount is received by the seller, it should be recorded as a Loan.
When amount is paid it will be considered as loan repaid.
The extra amount paid during repurchase will be considered as interest.

TS → goods sold = 1crore → Student

Cash = 1crore

↓ 6m

Repurchase = 1.05crore

Cash = 1.05crore

Sale to Intermediaries :- If the risks and rewards and effective control is transferred to the intermediaries, then revenue will be recognised at this point itself.

If however R&R and effective control is transferred straight to the customer (third party), then revenue will be deferred until goods are transferred to the customer.

Installment Payment :-

Customer (Buyer) → makes payment in instalment to the seller

↓

On receipt of the final instalment seller will deliver the goods.

↓

When goods are delivered by seller he will recognise revenue.

Eg: Real Estate Industry

↓

ghar kharidte samay.

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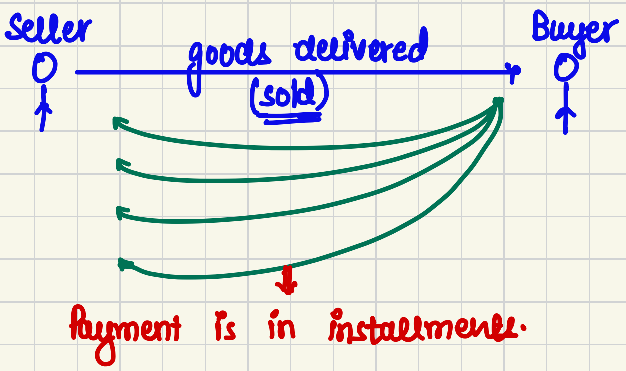
Based on prior experience, seller may recognise revenue when significant portion of the deposits are received.

Installment Sales :-



Cash price = 1,00,000
Instalment price = 1,10,000
Interest = 10,000

Immediately recognise the revenue for sale of goods of amount equal to cash price of the goods.

Interest will be recognised as revenue in proportion to the unpaid amount due.

Subscription Revenue :-

1. Either recognise on Straight Line Basis.
2. If the sales value varies, then in proportion to the sales value.

Special Order :-

Revenue will be recognised when goods are manufactured, identifiable and ready for delivery.

Any advance payment received will be recognised as a liability.

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RENDERING OF SERVICES

Performance :-	Completed Service	Proportionate Completion
	The service gets complete immediately.	The service gets complete over a period of time may be even years.
Measuribility	Certainity	Certainity
Collectibility	Certainity	Certainity