

Accounting Standards

Total 27 No.

AS 3 Cash Flow
AS 14 Amalgamation
AS 21 Consolidation

Already Covered

Remaining
24 AS
- 8 AS Theory
16 AS practical

24 AS

Category 1

Asset Based
AS

AS 2

AS 10

AS 13

AS 16

AS 19

AS 26

AS 28

Other Category

AS 13 - Accounting For Investments

1) Investment means any Asset Which is held by Entity for :-

a) Capital appreciation ; (or)
(Market Value increase)

b) For Earning Incomes other than Business Incomes ; (or)
(Rent, Dividend, Interest)

c) Both.

2) Examples of Investments

- a) Shares
- b) Debt & Other Securities
- c) Land & Building
- d) FD
- e) Mutual Funds
- f) Gold and any other Commodity

3) Types of Investments

Current Investments
(Short Term)

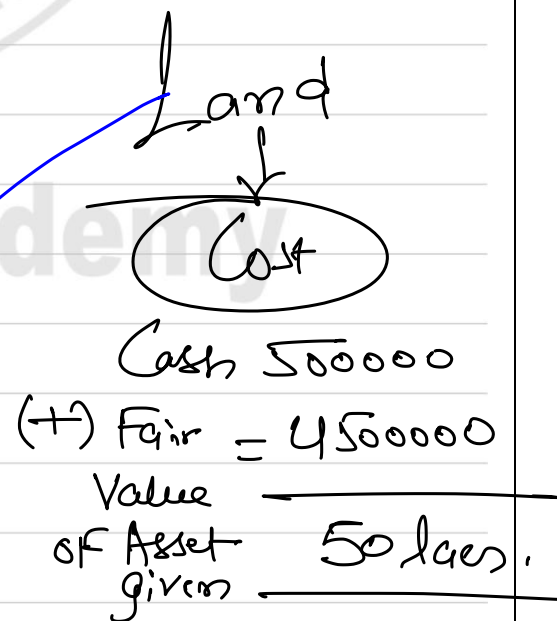
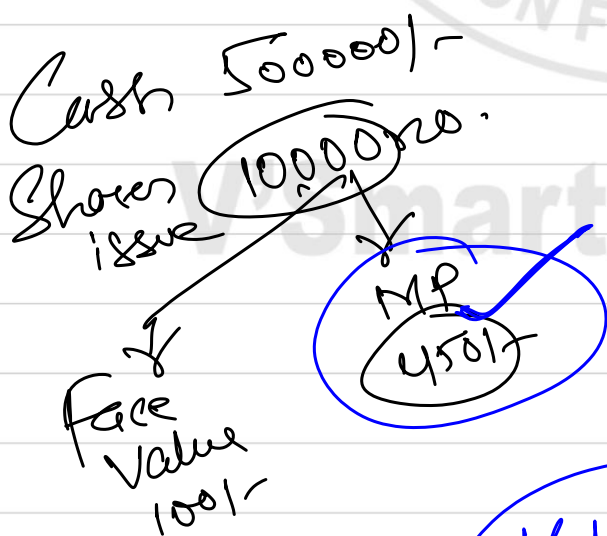


Any Investments which are intended to be held for not more than 12 months from the date of purchase.

Long Term Investments
(Non Current)



Any Investment other than Current Investments



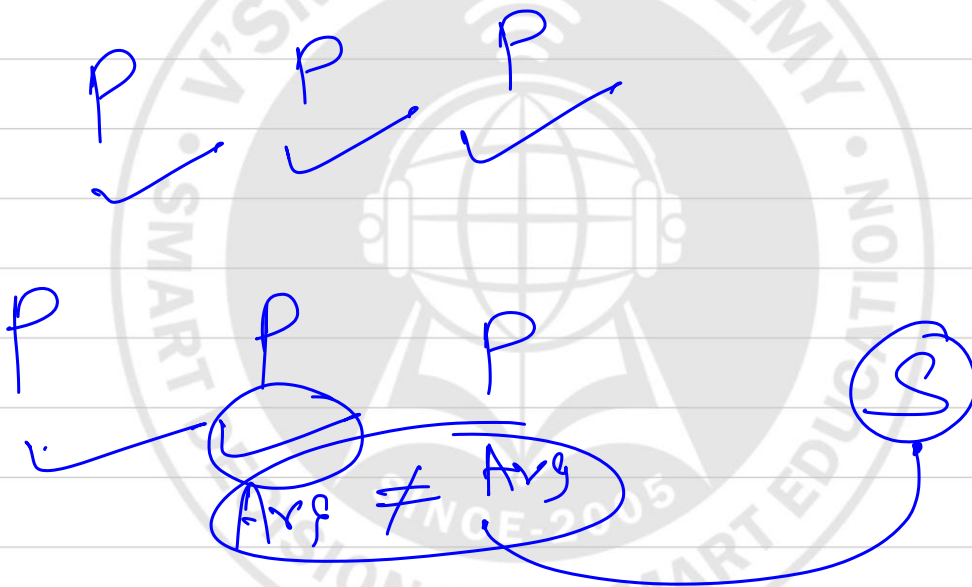
Land (Invest) 60

To Bank 5

To esc/SP 45

To Ex. Gain 10 (P&L)

Investment in shares (Accounting)



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Example 3:

Investment in share:

1/4/24 = Purchased 500 No @ 45/- each

1/6/24 = Purchased 300 No @ 52/- each

1/8/24 = Got bonus share in 2:5 (free)

1/9/24 = Sold 450 No. @ 50/- each

Required: 1) Calculate gain/loss on sale

2) pass journal entries

3) Prepare Investment a/c

Solution

Working Note

1) First purchase on 1/4 $\Rightarrow 500 \text{ no.} \times 45/- = 22500/-$

2) Second purchase on 1/6 $\Rightarrow 300 \text{ no.} \times 52/- = 15600/-$

3) Bonus on 1/8 $\Rightarrow \frac{800}{5} \times 2 = 320 \text{ no.}$
at No Cost

4) W. Avg cost per share :-

$$= \frac{22500 + 15600 + 0}{500 + 300 + 320} = 34.02/-$$

5) Sale value $\Rightarrow 450 \times 50/- = 22,500$

b) Gain on Sale :-

$$(50 - 34.02) \times 450 = 7191$$

Journal Entry

1/4 Investment in Shares Dr. 22,500
To Bank a/c 22,500

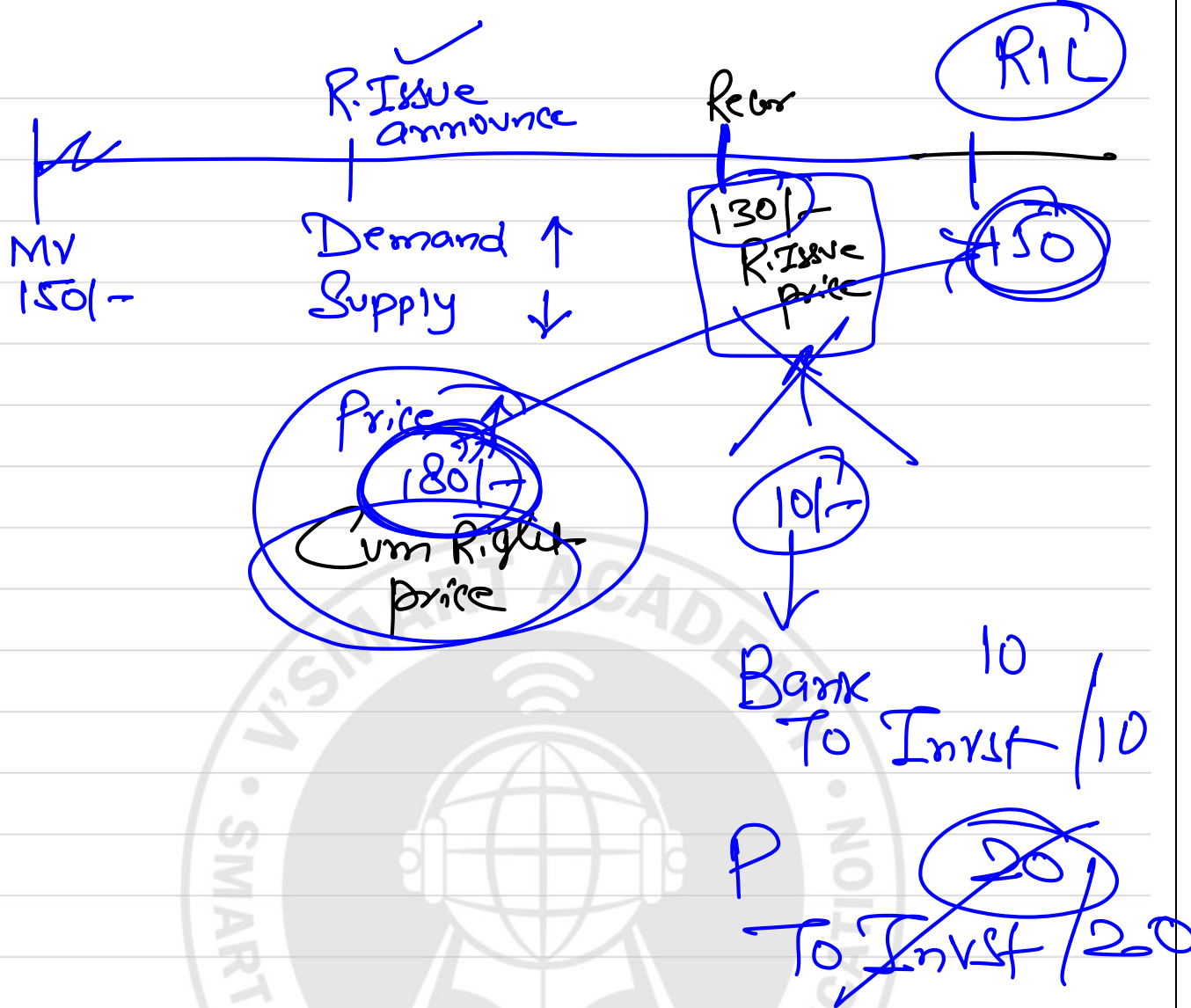
1/6 Investm. in Shares Dr. 15,600
To Bank a/c 15,600

1/8 Bonus → No entry

1/9 Bank a/c Dr. 22,500
To Investment in Shares 15,309
To Gain a/c 7,191

Investment A/c

Date	Particulars	No.	Amnt.	Date	Particulars	No.	Amnt.
1/4	To Bank	500	22,500	1/9	By Bank 450 (Sale proceeds)		22,500
1/6	To Bank	300	15,600				
1/8	To Bonus	320	-				
	To Gain	-	7,191	31/3	By Bal. c/d	670	22,791



Bank 10000
 To Invest per 1000
 10000

Ex:-5 (Pg. no. 5.6)

Working

$$1) \quad 1/4/24 \Rightarrow \text{Cost of opng share} = \frac{2280000}{1200} \\ (\text{per share}) = 1900/-$$

$$2) \quad 1/5/24 \Rightarrow \text{Purchase 300 no. @ 2100/-} \\ 630000$$

$$3) \quad 1/6/24 \Rightarrow \text{Bonus issue of 1500 no.}$$

$$\text{Bonus } \frac{1500}{5} = 300 \text{ no.} \\ \text{at No Cost}$$

$$4) \quad \text{Avg Cost per share! -}$$

$$\frac{2280000 + 630000}{1800 \text{ no.}} = 1616.67/-$$

$$5) \quad \text{Sale on 1/7} \Rightarrow \text{Sale Value} \\ 800 \times 2250 = 18,00,000$$

$$6) \quad \text{Gain on Sale} \Rightarrow (2250 - 1616.67) \times 800 \\ 5,06,664/-$$

7) Right issue entitlement :- $\frac{1000 \text{ no.}}{2} \times 1$
= 500 no.

Subscribed
@ 60%

300 no.
 $\times 1750$

5,25,000

&

Transfer
@ 40%

200
 $\times 90/-$

18,000

Transfer
to p&L.

3/3/25 By Bal. 1300 21,16,64

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Q202

Working

1) On 1/4/x1 \Rightarrow Purchased 1000 no.

$$\begin{array}{r} \times 123/- \\ \hline 123000 \end{array}$$

$$[120 + (2\% + 0.5\%)] = 123/-$$

2) 31/Jan/x2 \Rightarrow Bonus issue = $\frac{1000}{2} = 500$ no.
at
No Cost

3) Avg Cost per share :-

$$\frac{123000}{1500 \text{ no.}} = 82/-$$

4) Sale Proceeds $\Rightarrow (90 - 2\%) \times 500 = 44,000$

5) Gain on Sale $\Rightarrow (88.2 - 82) \times 500$ no.
 $\Rightarrow 3,100/-$

Books of Mr. Krishna Murty

Investment in Shares (Telco) Ltd A/c

Date	Particulars	No.	Amnt.	Date	Particulars	No.	Amnt.
1/4/21	To Bank	1000	123000	31/3	By Bank	500	44,100
31/Jan	To Bonus	500	-				
31/3	To Gain	-	3,100	31/3	By Bal C/d	1000	82000

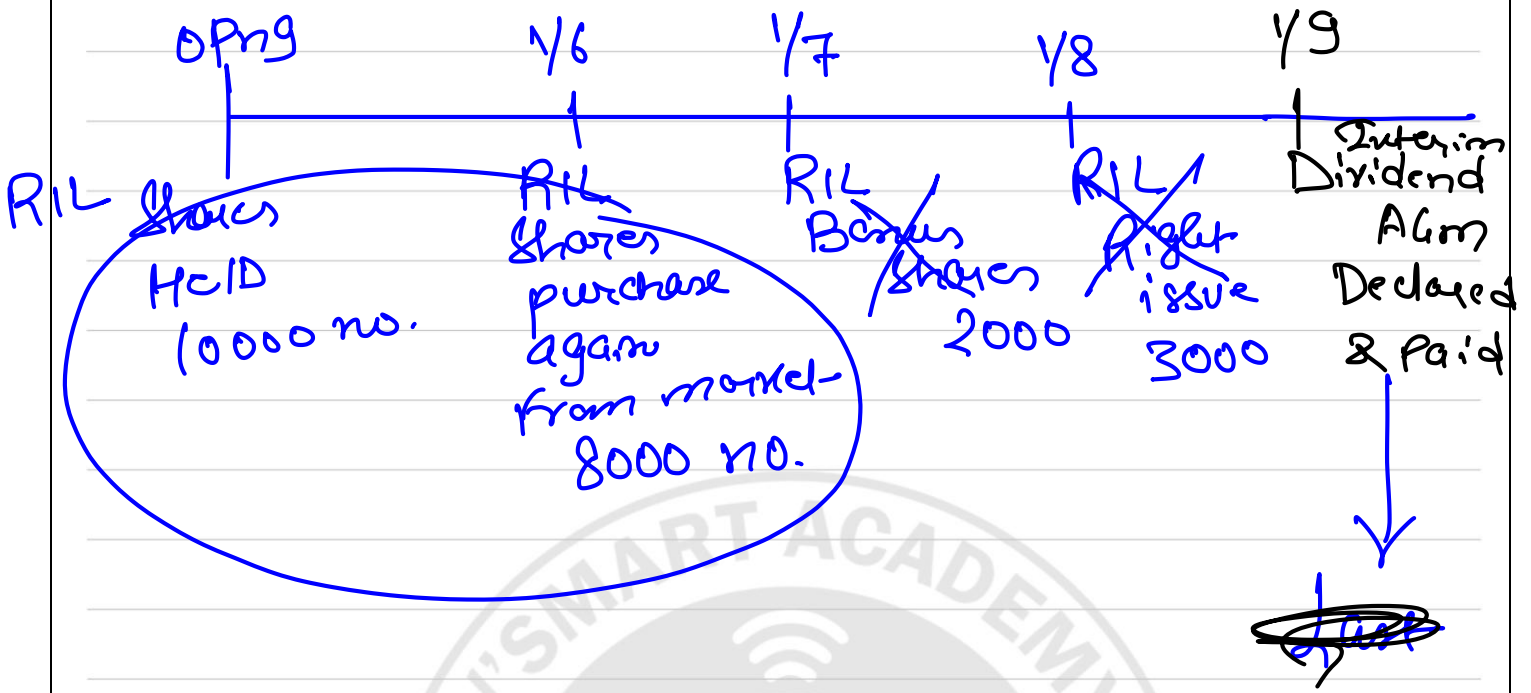
As per AS 13 (Accounting for Investments), Current Investments are measured at lower of :-

- Carrying Amt : (or)
- Market Value

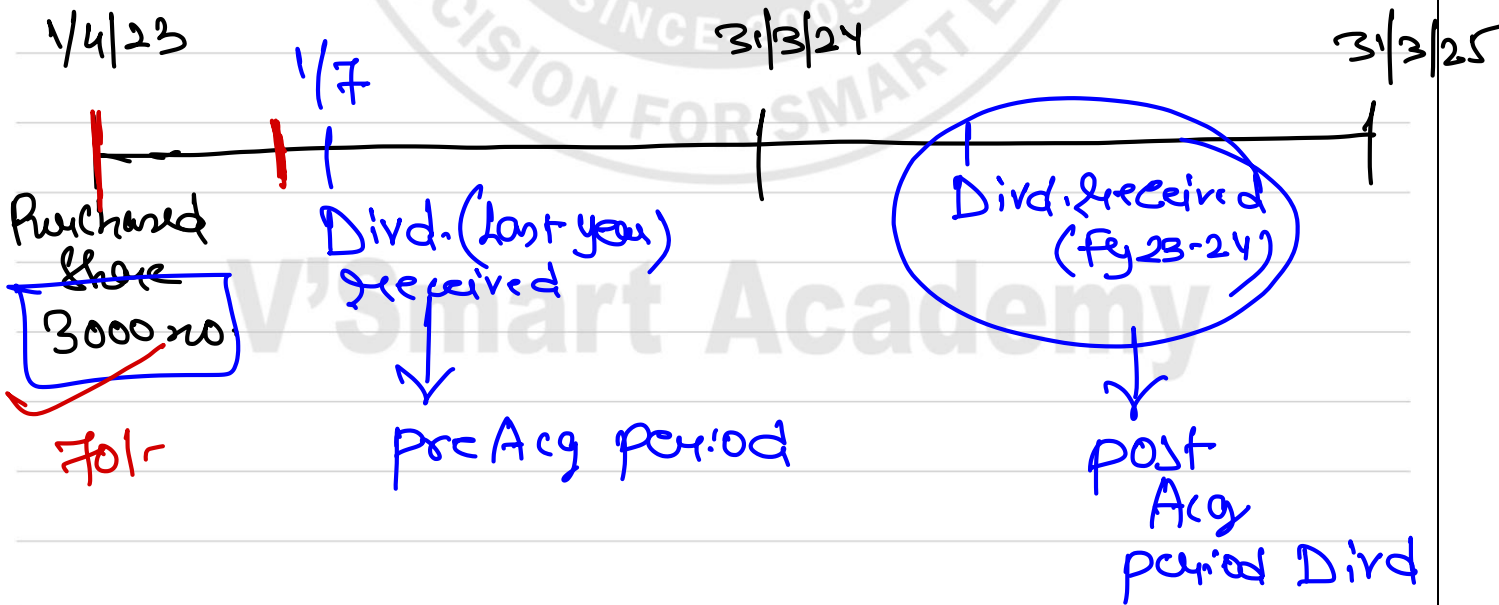
Since Carrying Amt (i.e 82000/-) is lower than Market Value (i.e 90000) Hence Investments are Carried at 82000/- only.

Rule 4:-

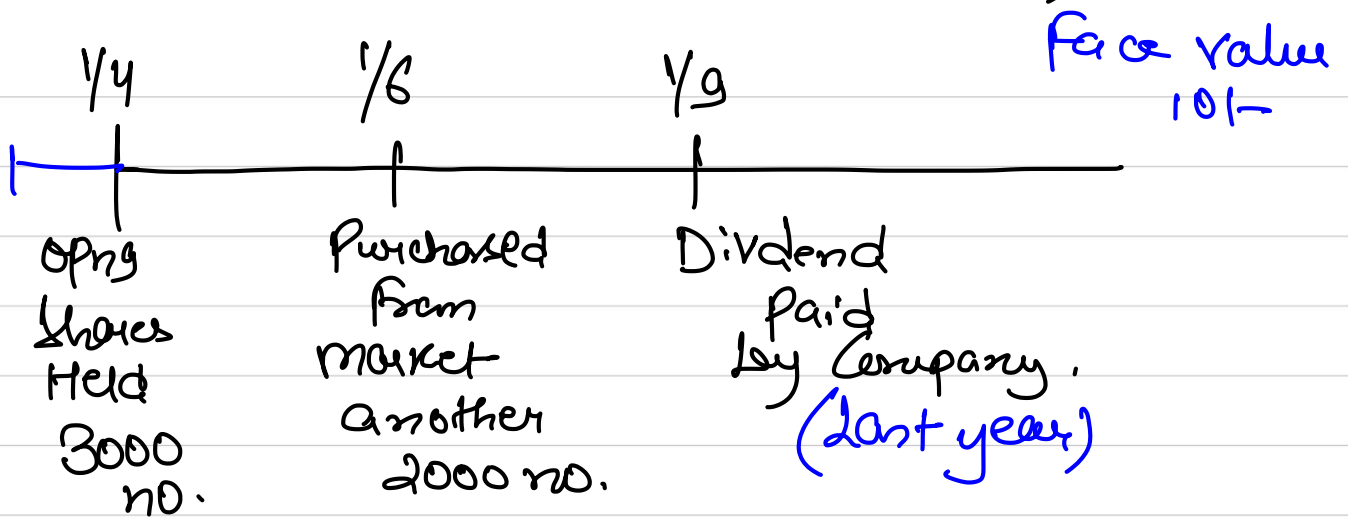
Mr. Jai (Investor)



Rule:-5



Mr. Jai (Investor)



as per Rule 4:- Divd will be received on 5000 no.

as per Rule 5:- Divd on 2000 share is pre Acq period

Divd on 3000 shares is post Acq period

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Ex:-11 (Book)

Working

1) Opng shares = $1000 \times 25 = 25000/-$

2) Purchase on 1/5 $\Rightarrow 600 \times 32 = 19200/-$

3) Bonus on 1/6 $\Rightarrow 100$ no. at No Cost

4) Dividend received :-

Income on 1000 no. (Post Acq) = $1000 \times 10 \times 10\% = 1000$
on 600 no. (Pre Acq) = $600 \times 10 \times 10\% = 600$

5) Arg. Cost per share

$$\frac{25000 + 19200 - 600}{1700 \text{ no.}} = 25.65/-$$

6) Sale of 250 no. $\Rightarrow 250 \times 29.5 = 7375$

7) Gain on Sale $\Rightarrow 250 \times (29.5 - 25.65) = 962.5$

Investment A/c

Date	Particulars	No.	Divd. Income	Cost	Date	Particulars	No.	Divd. Income	Cost
1/4	To Balance	1000	-	25000	1/8	By Bank	-	1000	600
1/5	To Bank	600	-	19200	1/12	By Bank	250	-	7375
1/6	To Bonus	100	-	-					
1/12	To Gain	-	-	962.5					
	To P&L	-	-	1000	3/3	By Balance	1450	-	37187.5

Q204

Working

- 1) 1/4/x1 ⇒ opng 25000 no. × 15 = 375000
- 2) 20/6/x1 ⇒ Purchased 5000 no. × 16 = 80000
- 3) 16/8/x1 ⇒ Bonus an 30000 no. × $\frac{1}{6}$ = 5000 no.

at No Cost
- 4) 30/9/x1 ⇒ Right issue an 35000 no. × $\frac{3}{7}$ = 15000 no.

Transfer	Subscribed
5000 no.	10000 no.
× 2/-	× 15/-
10000	15000

Transfer to P&L

5) Dividend on 31/10 @ 20% on 30000 no. = 60000

Post
Acq.
 $25000 \times 10 \times 20\%$
5000
Income

Pre
Acq.
 $5000 \times 10 \times 20\%$
10000
Deduct from
Cost
of Invest
(Cr. Side)

6) W. Avg Cost per share
before sale :-

$$37500 + 8000 + 0 + 15000 - 10000$$

$$25000 + 5000 + 5000 + 10000$$

$$\frac{59500}{45000} = 13.22/-$$

7) Sale of 25000 shares @ 15/- = 37,500

8) Gain on sale = $25000 \times (15 - 13.22) = 44,500$

Q206

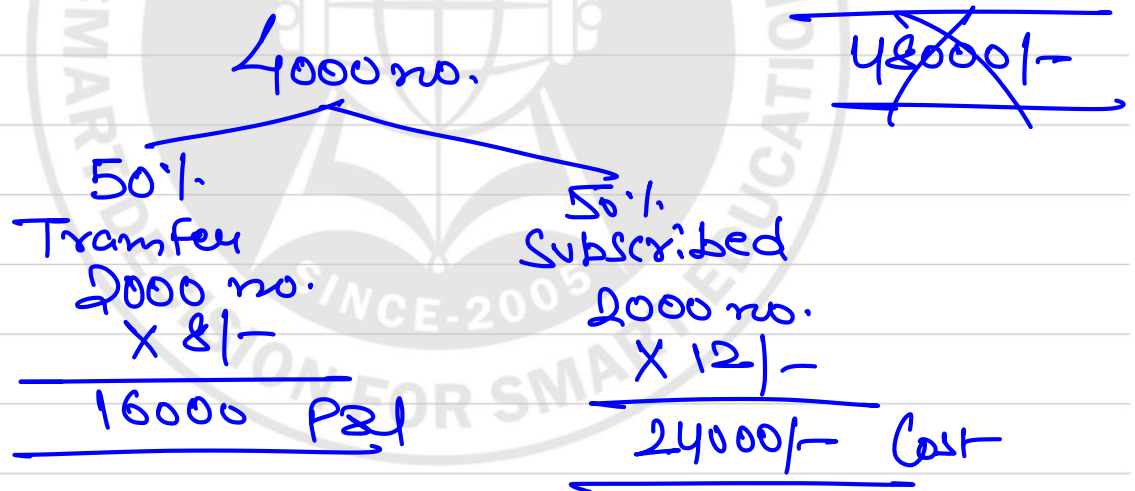
Working

1) Opng shares = $15000 \times 15 = 225000/-$
1/4/x1

2) 1/6/x1 = purchased = Cost 100000 (5000 no.)
20/-

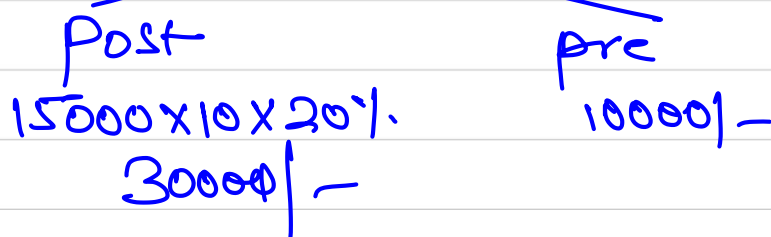
3) 1/7/x1 = Bonus = $\frac{20000}{5} = 4000$ no.
at No Cost

4) 1/9/x1 = Right issue $\Rightarrow \frac{24000}{6} = 4000$ no.
@ 12/-



5) Dividend received on 31/04 :- @ 20%.

Ans $\Rightarrow 20\%$ of $(20000 \times 10/-) = 40000$



6) W. Avg Cost per share :-

$$\frac{225000 + 100000 + 24000 - 10000}{15000 + 5000 + 4000 + 2000} = 13.04/-$$

7) Sale of 13000 shares @ 16.50 less 1% Book.

$$\begin{aligned} \text{Sale proceeds} &\Rightarrow (13000 \times 16.5) \times 99\% \\ &\Rightarrow 212355 \end{aligned}$$

8) Gain on sale \Rightarrow

212355	Sale
169520	Avg Cost (13.04 x 13000)
42835	
42835	

BOOKS OF XY Ltd.
Investment in Shares (ABC Ltd) a/c

Date	Particulars	No.	Divd.	Amt.	Date	Particulars	No.	Divd.	Amt.
1/4	To Bal.	15000	-	225000	31/10	By Bank	30000	-	10000
1/6	To Bank	5000	-	100000	1/Jan	By Bank	13000	-	212355
1/7	To Bonus	4000	-	-					
1/9	To Bank	2000	-	24000	31/3	By Bal.	13000	-	169480
1/11	To Gain	-	-	42835					
31/3	To P&L	-	30000	-					

Ex: 12

100/- Face Value

Jai Chawla

Example 12:

Purchased 1200 no of debentures @99/- (Ex-interest) as on 1st November. Last interest was due on 30th September. Rate of Interest is 9% p.a. Face Value is 100/-

Answer: Investment Cost = 1,18,800 and Interest Expense on purchase = 900

$$\begin{array}{r} 99 \text{ Ex. Int price} \\ 0.75 \text{ Interest} \\ \hline 99.75 \text{ Cum Inten. price} \end{array}$$

Invest in Debt a/c Dr. 118800

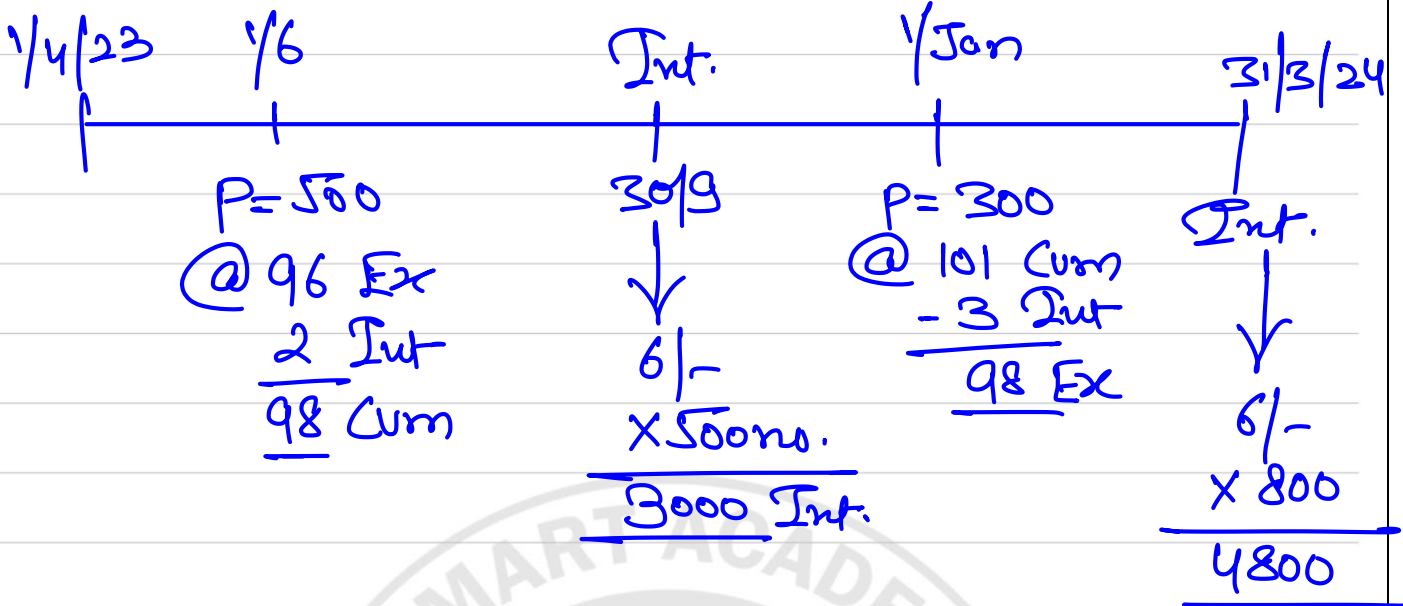
Debt Inter. a/c Dr. 900

 To Bank a/c 119700

Exp. Invest in Debt of x Ltd

Date	Part	Nomi Value (or) NO.	Int.	Cost	3 1/2	No	Inte.	Cost
1/1	To Bank	120000	900	118800	By Bank	-	5400	-
	Total	-	4500	-				

Ex:-14



Investment A/c

Date	Particulars	Normal Value	Inter.	Cost (Ex)	Date	Particulars	Normal Value	Inter.	Cost
1/6	To Bank	5000	1000	48000	30/9	By Bank	-	3000	-
1/Jan	To Bank	30000	900	29400	31/3	By Bank	-	4800	-
31/3	To P&L	-	5900	-	"	By Bal.	80000	-	77400

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Ex:-15

Investment A/c

Date	Particulars	Nominal Value	Int.	Cost	Date	Particulars	Nominal Value	Int.	Cost
1/4	To Bank	100000	-	99000	30/9	By Bank	-	13200	-
1/9	To Bank	120000	6000	117600	1/10	By Bank	5000	-	49750
1/10	To gain	-	-	525	1/10	By Bank	70000	2100	69.650
1/10	To gain	-	-	735	31/3	By Bank	-	6000	-
31/3	To P&L	-	15300	-	31/3	By Bal.	100000	-	98460

Q301

	Nom.	Int.	
To Bal b/d			
			Int
			By Bal. 70000
			Cl.d.
			?

Q 302

Working

Interest = 0.75 pm

1) 1/Jan \Rightarrow opng value = Cost = 118000

$$\begin{array}{r} \text{Interest} = 1200 \\ \text{receivable} \quad \times 0.75 \\ \quad \quad \quad \times 3 \\ \hline \underline{2700} \end{array}$$

2) 1/march \Rightarrow Purchased cost $\Rightarrow 200 \times 98 = 19600/-$

$$\begin{array}{l} \text{Interest paid (5m)} \Rightarrow 200 \times 0.75 \times 5 \\ \Rightarrow 750/- \end{array}$$

3) 31/3 \Rightarrow Interest Collection on $140000 \times 9\% \times \frac{6}{12}$
(120000 + 20000 opng purchj) 6300/-

4) 1/7 \Rightarrow Sale of 500 Bonds

$$\text{Sale proceeds} = 500 \times 100 = 50,000 \text{ ₹}$$

$$\text{Cost value (FIFO)} = \frac{118000}{1200} \times 500 = 49167$$

$$\text{Gain} = \underline{833}$$

Interest Collected $\Rightarrow 0.75 \times 3 \times 500 = 1125/-$
on sale
(3 months)

5) 30/9 :- Interest received on 90000 face value
 $90000 \times 9\% \times 6/12 = 4050/-$

6) 1/10 \Rightarrow purchased (15000 face value)
Cost = $98 \times 150 = 14700/-$
Int. paid = 0

7) 1/11 \Rightarrow Sale of 300 units (i.e. 30000 face value)

Sale proceeds $\Rightarrow 99 \times 300 = 29700$
Cost value $\Rightarrow \frac{118000}{1200} \times 300 = 29500$
(FIFO)
Gain = 200

Interest received
on sale $\Rightarrow 300 \times 0.75 = 225/-$
(4 months)

8) 31/12 \Rightarrow Interest receivable on closing balance
 $75000 \times 9\% \times 3/12 = 1688/-$

Books of Mr. Z

Investment in 9% Bonds A/c

Date	Particulars	Nominal	Interest	Amnt.	Date	Particulars	Nominal	Int.	Amnt.
1/1	To Bal.	120000	2700	1,18,000	3/3	By Bank	-	6300	-
1/3	To Bank	20000	750	19,600	1/7	By Bank	5000	1125	5000
1/7	To Gam	-	-	833	30/9	By Bank	-	4050	-
1/10	To Bank	15000	-	14,700	1/11	By Bank	3000	225	29,700
1/11	To Gam	-	-	200					
31/12	To Bal	-	9938	-	31/2	By Bal c/d	75000	1688	73,633

Q306

Working

1) Opng Bal. on 1/4/18 :- Cost 12,25,000 (12,500 ru)

Interest receivable $\Rightarrow 12,500 \times 100 \times 10\% \times 3/12$
 $\Rightarrow 31,250/-$

2) 1/6/18 :- Purchase 9000 units @ 98 = 8,82,000
 + 1%.

Cost = 8,90,820

Interest paid = $9000 \times 100 \times 10\% \times 5/12$

$$(5m) = 37,500$$

3) 30/6/18 :- Interest Collection on 21500 units
$$21500 \times 10\% \times \frac{6}{12} \times 100 = 107500$$

4) 1/11/18 :- Purchased 12000 no. $\times 115 = 1380000$
(+) 1% Broker. = 13800
(-) Interest = (40000)
4m
$$12000 \times 100 \times 10\% \times \frac{4}{12}$$

Cost = 1353800

5) 31/12/18 :- Interest Collection on 33500 no.
$$33500 \times 100 \times 10\% \times \frac{6}{12}$$

167500

6) 31/Jan/19 :-

Sale of 13500 @ 110 (Cum) = 1485000

(-) Brokerage 1% = (14850)

(-) Interest 1m = (11250)

$$13500 \times 100 \times 10\% \times \frac{1}{12}$$

Net Sale = 1458900

Net Sales proceeds = 1458900

(-) Cost of 13500 units :-
(FIFO)

a) Cost of 12500 \Rightarrow (1225000)

b) Cost of next 1000 unit \Rightarrow (98980)

$\frac{890820}{9000} \times 1000$

Gain = 134920

7) 31/03/19 (Year ending) :- Interest Receivable on 20000 units
 $20000 \times 100 \times 10\% \times \frac{3}{12} = 50,000$

Books of Mr. Harish

Investment in 10% Debⁿ (Exe Ltd.)

Date	Particulars	No.	Inter.	Cost	Date	Particulars	No.	Inter.	Cost
1/4	To Bal.	12500	31250	1225000	30/6	By Bank	-	107500	-
1/6	To Bank	9000	37500	890820					
1/11	To Bank	12000	40000	1352800	31/12	By Bank	-	167500	-
31/Jan	To Gain	-	-	134920	31/Jan	By Bank	13500	11250	1458900
31/3	To P&L	-	227500	-	31/3	By Bal.	20000	50000	2145640

Important Note:-

1) Assuming 1% Brokerage is payable on given Value (i.e. Ex. or Am)

2) Market Value at year end is $115/- \times 20000 \text{ no.}$
i.e. 23,00,000

It is Higher than Carrying amt. Hence No need to measure.

Q403

Working

$$\begin{array}{r} 1) 1/5/18 \Rightarrow \text{Purchase } 5000 \text{ no.} \times 105 = 525000 \\ (-) \text{ Interest Paid (1m)} = (5625) \\ \hline \text{Cost} = 519375 \end{array}$$

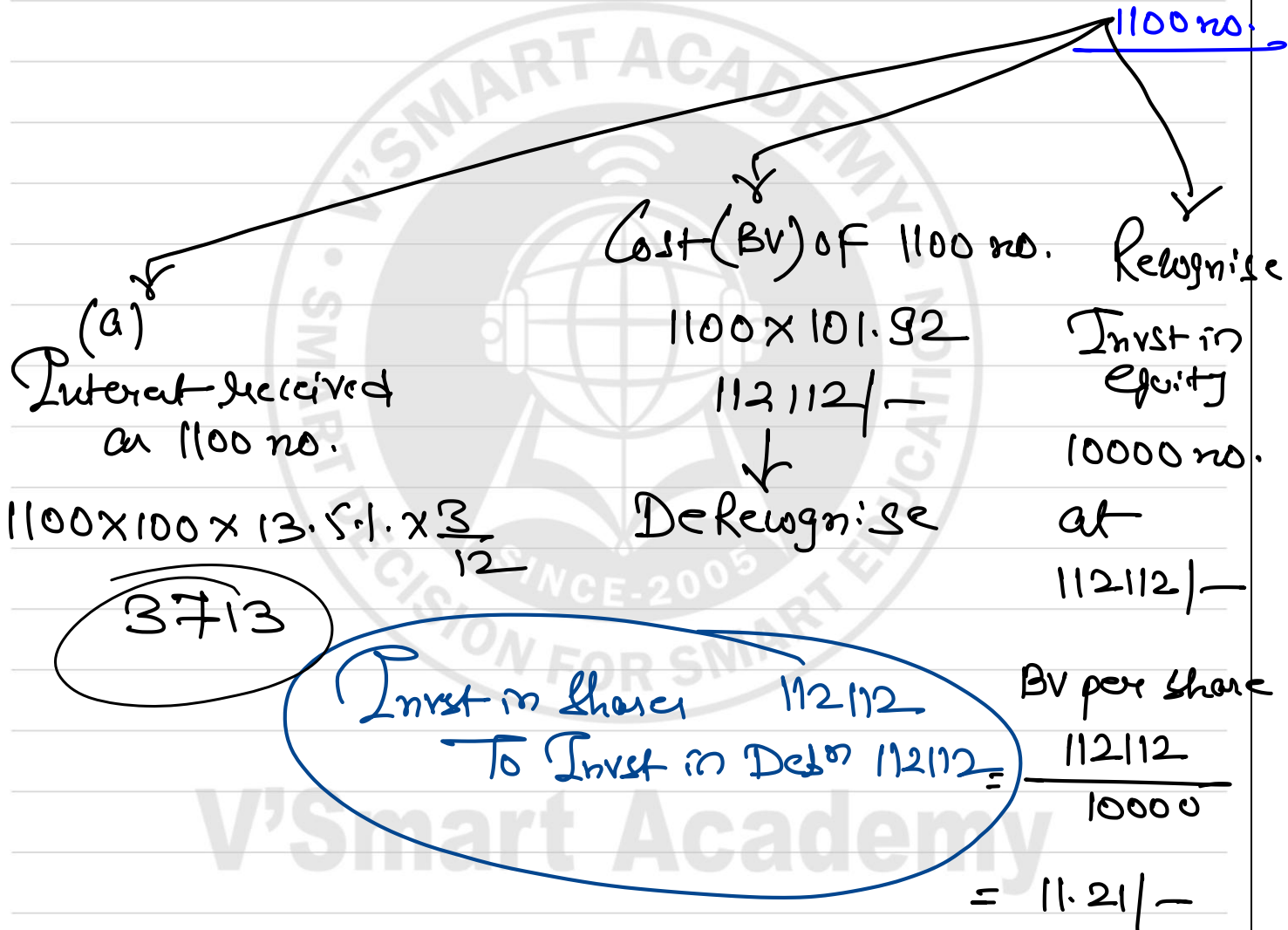
$$\begin{array}{r} 2) 1/8/18 \Rightarrow \text{purchase } 2500 \text{ no.} \times 102.50 = 256250 \\ (-) \text{ Interest paid (4m)} = (11250) \\ \hline \text{Cost} = 245000 \end{array}$$

$$\begin{array}{r} 3) 30/9/18 \Rightarrow \text{Interest Collection on } 7500 \text{ no.} \\ \hline 7500 \times 100 \times 13.5\% \times \frac{6}{12} = 50,625/- \end{array}$$

4) 1/10/18 \Rightarrow Sale of 2000 no. $\times 103 = 206000$

$$\begin{array}{r} \text{Avg Cost } 2000 \times 101.92 = 203840 \\ 519375 + 245000 \\ \hline 7500 \end{array} \quad \text{Gain} = \underline{2160}$$

5) 31/12/18 \Rightarrow Conversion of 20% Holding i.e. $\frac{5500 \times 20\%}{11000}$



6) 31/12/18 \Rightarrow Interest Receivable on 4400 no.

$$4400 \times 100 \times 13.5\% \times \frac{3}{12} = 14850/-$$

Investment in 13.5% Debⁿ

Date	Particular	No.	Inter.	Amt.	Date	Particulars	No.	Int.	Amt.
1/5	To Bank	500	5625	519375	30/9	By Bank	-	5625	-
1/8	To Bank	250	11250	24500	1/10	By Bank	2000	-	206000
1/10	To Gain	-	-	2160	31/12	By Bank	-	3713	-
					31/12	By Invest in eq. sh.	1100	-	112112
31/12	To P&L	-	52313	-	31/12	By Bal.	4400	14850	448423 (Note -1)

Invest in Eq. Shares

Date	Particular	No.	Amt.	Date	Particular.	No.	Amt.
31/12	To Invest in Deb ⁿ	10000	112112	31/12	By P&L (Note 2)	-	22112
				31/12	By Bal.	10000	90000

Note:-

1) Invest in Debⁿ BV = 448423
 @ 106 MY = 466400

Since MV is Higher No need to measure.

2) Invest in Eq Sh. :- Carrying Amt 11212

MV @ 9/- 90000

Loss \Rightarrow 2212

Invest to be reval. at lower of CA & MV.

HW Q303, Q304, ~~Q305~~, ~~Q404~~

12 mint
x 4

50 mint.

Q402

Working for Bonds :-

1) 1/06/20 :- Purchase of 36000 no. @ 86 Cum Int. 3096000

(-) Interest paid for 2 months (48000)

$36000 \times 100 \times 8\% \times \frac{2}{12}$

3048000

2) 30/9/20 :- Interest received on 36000 rs. (6 months)

$$36000 \times 8\% \times 100 \times 6/12 = 144000$$

3) 15/02/21 :- Sale of 24000 rs. @ 92 = 2208000

$$\leftarrow \text{Cost of 24000 rs.} = 2032000$$

$$\frac{3048000 \times 24}{36}$$

$$\text{Gain} = 176000$$

Interest Collected
on above

$$\Rightarrow 72066/-$$

$$24000 \times 100 \times 8\% \times \frac{137}{365}$$

4) 31/03/21 \Rightarrow Interest on 12000 rs. for 6 months

$$12000 \times 100 \times 8\% \times 6/12 = 48000$$

Books of Mr. Z

Investments in 8% Bonds A/c

Date	Particulars	No.	Int.	Amnt.	Date	Particulars	No.	Inter.	Amnt.
1/6	To Bank	36000	48000	3048000	30/9	By Bank	—	144000	—
15/2	To Gain (P&L)	—	—	176000	15/2	By Bank	24000	72066	2208000
					31/3	By Bank	—	48000	—
31/3	To P&L	—	216066	—	31/3	By Bal.	12000	—	1016000

Working on Shares :-

1) 1/4/20 :- Opening Invest Value
 $8000 \times 190 = 15,20,000$

2) 1/5/20 :- Purchased $7000 \times (230 + 1\%) = 1626100$

3) 15/6/20 :- Bonus $\Rightarrow \frac{15000}{5} \times 2 = 6000$ no.
at No Cost

4) 31/8/20 :- Right issue $\Rightarrow \frac{21000}{7} = 3000$ no.

30% Transfer 900 no. $\times 75$	70% 2100 no. $\times 230$
<u>67,500</u>	<u>483000</u>

Transfer to P&L = 67,500

5) 16/9/21 \Rightarrow Dividend received = $15000 \times 6 = 90000$

Pre Acq 7000×6 <u>42000</u>	Post Acq. 8000×6 <u>48000</u>
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6) Avg cost per share :-

$$152000 + 1626100 + 483000 - 42000$$

$$8000 + 7000 + 6000 + 2100$$

$$= 155.29/-$$

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

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 Amount 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

<p>↓</p> <p>Cost 100 Cr.</p> <p>FV 90 Cr.</p> <hr style="width: 50%; margin-left: 0;"/> <p>10 Cr.</p>	<p>↓</p> <p>Cost 50 Cr.</p> <p>FV 55 Cr.</p> <hr style="width: 50%; margin-left: 0;"/> <p>5</p>
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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 400000 & 200000 respectively
 Since MV is Higher.

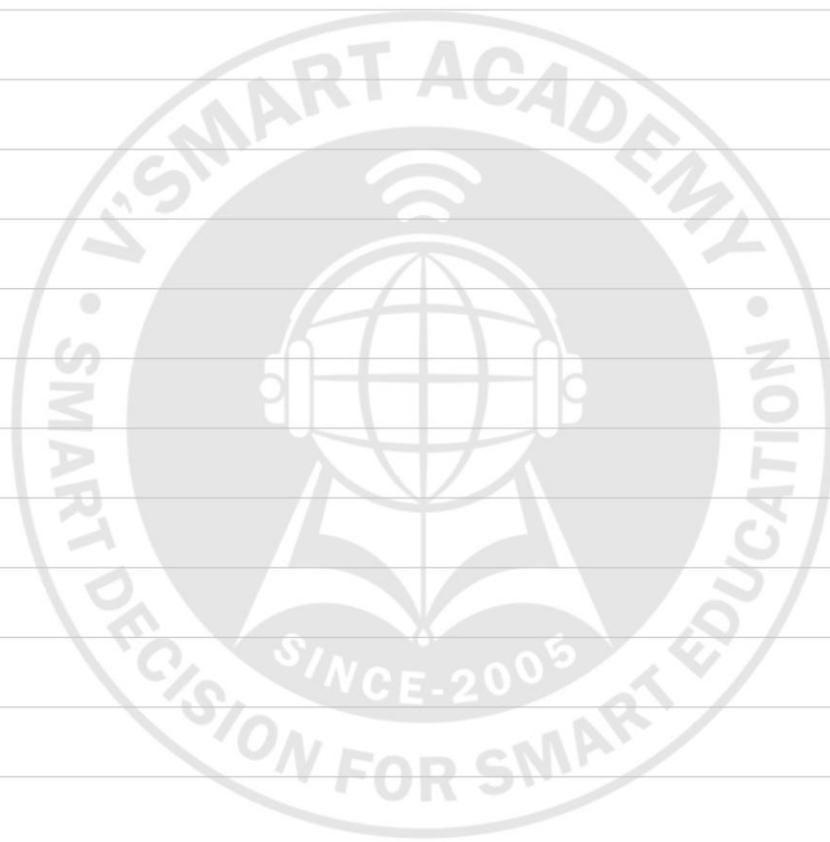
2) Shares :- It is not clear that the shares are intended for Long Term Holding or not.

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.

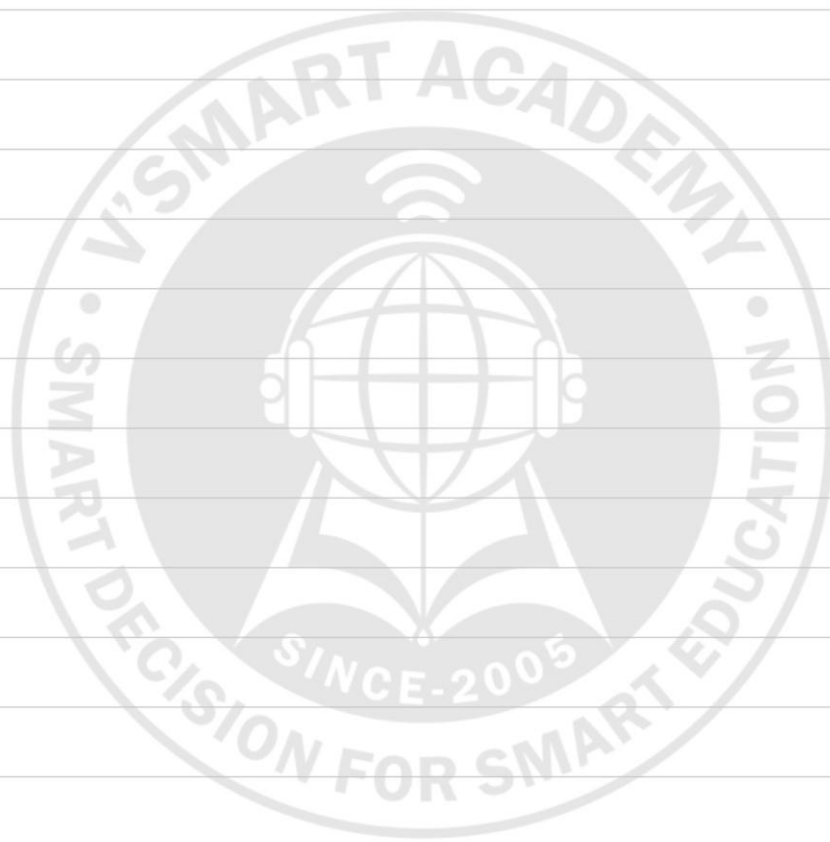
Alternate 2 :-



V'Smart Academy



V'Smart Academy



V'Smart Academy