

SEGMENT REPORTING

1. As per AS 17, reportable segments are those whose total revenue from external sales and inter-segment sales is
 - a. 10% or more of the total revenue of all segments
 - b. 10% or more of the total revenue of all external segments
 - c. 12% or more of the total revenue of all segments
 - d. 12% or more of the total revenue of all external segments
2. Which of the following statements is correct?
 - a. Management has a discretion to include a segment as a reportable segment even if it passes the 10% materiality test.
 - b. Management has a discretion to include any segment as a reportable segment if it fails the 12% materiality test.
 - c. It is mandatory for the management to include the segment as a reportable segment if it passes the 10% materiality test.
 - d. It is not mandatory for the management to include the segment as a reportable segment if it passes the 10% materiality test.
3. Which of the following statements is correct?
 - a. The overall test of 75% considers only external revenue to compute the threshold limit.
 - b. The overall test of 75% considers only internal revenue to compute the threshold limit.
 - c. The overall test of 75% considers both internal and external revenue to compute the threshold limit.
 - d. It is management choice whether they want to include both external and internal revenue for computing threshold limit.
4. Which of the following statements is correct?
 - a. The 10% test computed on the basis of revenue, considers both internal and external revenue to compute the threshold limit.
 - b. The 10% test computed on the basis of revenue, considers only external revenue to compute the threshold limit.
 - c. The 10% test computed on the basis of revenue, considers only internal revenue to compute the threshold limit.
 - d. It is management choice whether they want to include both external and internal revenue for computing threshold limit.
5. Which of the following statements is correct?
 - a. In case of 10% test based on profit/loss, we need to consider that any segment whose profit or loss is 10% or more than the net profit or net loss respectively of all segments taken together becomes reportable segment.
 - b. In case of 10% test based on profit/loss, we need to consider that any segment whose profit or loss is 10% or more than the net profit (after netting the losses) of all segments taken together becomes reportable segment.
 - c. In case of 10% test based on profit/loss, we need to consider that any segment whose profit or loss is 10% or more than the net profit or loss (whichever is higher in absolute figures) of all segments taken together becomes reportable segment.

- d. In case of 10% test based on profit/loss, we need to consider that any segment whose profit or loss is 10% or more than the net profit or loss (whichever is lower in absolute figures) of all segments taken together becomes reportable segment.
6. Under AS 17, segments must be reported separately if the reported revenues (internal and external) are more than _____ of the combined revenues of all the segments.
- 10%
 - 15%
 - 20%
 - 25%
7. Following is not included in Segment Expense.
- Income tax expense.
 - The expense resulting from the operating activities of a segment that is directly attributable to the segment.
 - The relevant portion of enterprise expense that can be allocated on a reasonable basis to the segment.
 - Expense relating to transactions with other segments of the enterprise.
8. Following is not included in Segment Revenue.
- External Revenue.
 - Inter Segment revenue.
 - The relevant portion of enterprise revenue that can be allocated on a reasonable basis to the segment.
 - Extraordinary Item.
9. Segment assets doesn't include:
- segment debtors
 - plant and machinery
 - income tax assets
 - all of the above
10. Segments liabilities doesn't include:
- income tax liabilities
 - borrowings
 - both (a) and (b)
 - None of the above
11. What is the minimum threshold for identifying a reportable segment under AS 17?
- 5% of total revenue
 - 10% of total revenue
 - 15% of total revenue
 - 20% of total revenue
12. How should inter-segment transfers be accounted for under AS 17?
- At cost
 - At market value
 - At transfer price
 - At fair value

13. Primary reporting format includes:
- segments results
 - carrying amount of assets
 - carrying amount of liabilities
 - all of the above
14. ABC Ltd has a segment which has assets worth ₹50 Lakhs which includes income tax assets worth ₹1 lakh. Calculate segment assets.
- ₹50 Lakhs
 - ₹51 Lakhs
 - ₹49 Lakhs
 - None of the above
15. B Ltd has three segments namely A, B and C which has assets worth ₹50 lakhs, ₹20 lakhs, ₹30 lakhs respectively. Which segment will be a reportable segment?
- A
 - B
 - C
 - All of the above

Answers:

- (a)
- (c)
- (a)
- (a)
- (c)
- (a)
- (a)
- (d)
- (c)
- (c)
- (b)
- (c)
- (d)
- (c)
- (d)