

INTERIM FINANCIAL REPORTING

AS
25

1. AS 25 mandates the following in relation to interim financial reports.
 - a. which entities should publish interim financial reports.
 - b. how frequently it should publish interim financial reports.
 - c. how soon it should publish after the end of interim period.
 - d. none of the above.
2. The standard defines Interim financial Report as a financial report for an interim period that contains a set of.....financial statements.
 - a. Complete
 - b. Condensed
 - c. Financial statement similar to annual
 - d. Either complete or condensed
3. ABC Limited has reported ₹ 85,000 as per tax profit in first quarter and expects a loss of ₹ 25,000 each in subsequent quarters. It has corporate tax rate slab of 20% on the first ₹ 20,000 earnings and 40% on all additional earnings. Calculate tax expenses that should report in first quarter interim financial report.
 - a. ₹ 17,000
 - b. ₹ 30,000
 - c. ₹ 2,000
 - d. AS 25 does not mandate to report tax expenses
4. An entity prepares quarterly interim financial reports in accordance with AS 25. The entity is engaged in sale of mobile phones and normally 5% of customers claim on their warranty. The provision in the first quarter was calculated as 5% of sales to date, which was ₹10 million. However, in the second quarter, a fault was found and warranty claims were expected to be 10% for the whole of the year. Sales in the second quarter were ₹15 million. What would be the provision charged in the second quarter's interim financial statements?
 - a. ₹ 1 million
 - b. ₹ 2 million
 - c. ₹ 1.25 million
 - d. ₹ 1.5 million
5. Which of the following is not an objective of AS 25?
 - a. To prescribe the minimum content of an interim financial report
 - b. To prescribe which entities are required to publish interim financial reports, how frequently and how soon after the end of the reporting period
 - c. To prescribe the principles for recognition and measurement in complete or condensed financial statements for an interim period
 - d. None of the above
6. _____ is a financial reporting period shorter than a full financial year.
 - a. Short period
 - b. A quarter
 - c. Interim period
 - d. None of these

7. XYZ Ltd. follows the calendar year as its financial year-end. The company releases interim financial statements for the six-month period ending June 30th. According to AS 25, what is the minimum requirement for the interim financial statements?
 - a. Balance Sheet
 - b. Profit and Loss Statement
 - c. Statement of Cash Flows
 - d. All of the above
8. Under AS 25, how should an entity account for income tax expense in interim financial statements?
 - a. Estimate and recognize income tax expense based on the annual effective tax rate
 - b. Ignore income tax expense in interim financial statements
 - c. Recognize income tax expense only in the fourth quarter
 - d. Pro-rate the annual income tax expense evenly across all quarters
9. ABC Ltd. has identified a significant impairment loss on one of its assets during the second quarter of the financial year. According to AS 25, how should this impairment loss be disclosed in the interim financial statements?
 - a. Disclose only in the notes to the interim financial statements
 - b. Recognize the impairment loss in the profit and loss statement for the second quarter
 - c. Ignore the impairment loss until the annual financial statements
 - d. Recognize the impairment loss in the profit and loss statement for the entire financial year
10. Interim period as per AS 25 means?
 - a. A Quarter
 - b. Half year
 - c. a Calendar year
 - d. Any period shorter than a full financial year
11. Following is not part of Minimum component of an Interim Financial Report?
 - a. Condensed Cashflow statement
 - b. Condensed Director's Report
 - c. Condensed profit & loss statement
 - d. Selected Explanatory Notes
12. Interim financial reports include
 - a. Complete financial set of financial statements
 - b. Condensed financial statements
 - c. Both (a) and (b)
 - d. None of the above
13. Income tax amount is recorded in the interim financial statements based on best estimate of
 - a. Simple average
 - b. Weighted average of annual effective tax
 - c. Last year tax
 - d. Estimated future tax

14. B Ltd has started its operations on 1st September. On year end i.e on 31st March, This period (1st September to 31st March) is:
- Interim period
 - Not an interim period
 - Can be both (a) and (b)
 - None of the above
15. X Ltd has changes its accounting policies since last financial statements, what information it should present in interim financial report.
- Nature of change
 - Effect of change
 - Both (a) and (b)
 - None of the above

Answers:

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