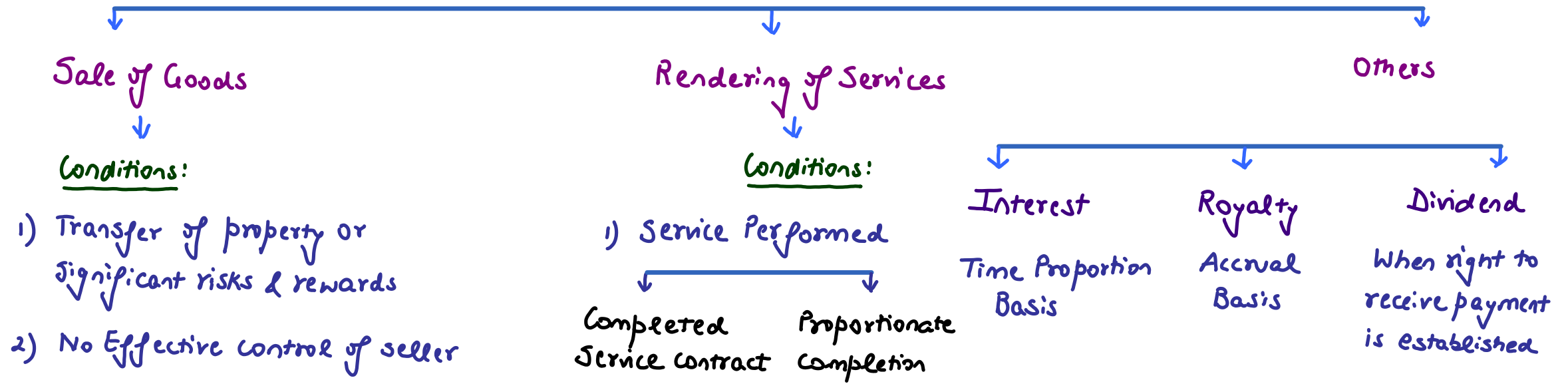


Revenue Recognition (AS-9)

[Gross Inflow of cash, receivable or other consideration. Exception: Agency]



Common Conditions !

- 1) No significant uncertainty regarding consideration
- 2) No significant uncertainty regarding collection

Uncertainty of Collection: (1) At time of Raising claim: Postpone Revenue Recognition
(2) Subsequently : Create Provision

Special Cases

- Delivery delayed at Buyer's Request : Expectation that delivery will be made & Item on hand, identified & ready for delivery
- Delivery subject to Installation, etc. : Acceptance of delivery & completion of Installation & Inspection
- Goods on Approval Basis : (1) Formal Acceptance by buyer (2) Act adopting transaction (3) Lapse of time
- Guaranteed Sales : Recognise sales but make suitable provision
- Consignment Sales : Sale by consignee to 3rd party
- Cash on Delivery Sales : When cash received by seller or his agent
- Sale to distributors or others : If significant risks of ownership passed; in some situations agent sale
- Subscription for Publication : SLM or If value variation then sales value of Item delivered
- Advertising Agencies : When advertisement appears before public
- Artistic performances, banquet, etc : When event takes place
- Tuition fees : Over period of instruction
- Insurance Agent Commission : Effective commencement or renewal dates of related policies
- Installation fees : When equipment is installed & accepted by customer
- Membership fees : If separately → when received ; If services entitled → systematic & rational basis
- Price Revision : Certainty of collection
- Sale / Repurchase Agreement : Financing agreement so no revenue