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#studentfirst



CA SURAJ LAKHOTIA

(AIR 1,4,2)

1FIN By IndigoLearn



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CA SURAJ LAKHOTIA
AIR 1,4 & 2 in CA

What Our Students have to say....

Pooja

Whenever I listen to Suraj sir's lecture, feels like I've completed the concept! Made it veryyyy simple sir! Pranams!

Sugam

1Fin is working very hard and providing aeverything we need for CA. Thanks for the support

Parthi purush

Really I'm impressed on his teaching style and it's like a movie and interesti

Kumar G

Much needed classes for CA! Thank you ! IL team

Nilesh

Excellent explanation and you made easy to understand for anyone. Superb.. I was always confused.. now everything is clear. Amazing Sir!

Jagadeesh Chandra

One of best explanation about the concepts among any other avialable...Thanks Sir, thank you 1fin

Purva Kirad

Very nice explanation of all concpets! thank you

KAVITHA

Very clear explanation sir . I was not able to understand before but now u have given a clarity. Thank you so much sir...

akhila

Crystal clear Thank you sir for such an amazing classes

Jayashree

Really the classes were very useful for my preparation.... Thanks a lot InidgoLearn

Daniel Philip

Very nice lectures and great explanation sir thank you lots!

CASE SCENARIO – I

Cash Flow from Operating Activities (Indirect Method)

Particulars	Amount (₹)
Net Profit before tax	22,00,000
Add: Interest	1,35,000
Add: Depreciation	4,00,000
Add: Amortisation	1,50,000
Increase in Accounts Receivable	(3,70,000)
Increase in Inventory	(1,60,000)
Increase in Accounts Payable	1,85,000
Less: Income Tax Paid	(2,40,000)
Net Cash from Operating Activities	23,00,000

Cash Flow from Financing Activities

Particulars	Amount (₹)
Issue of Equity Share Capital	9,00,000
Interest Paid	(1,35,000)
Long-term Loan Raised	5,00,000
Repayment of Loan	(3,50,000)
Dividend Paid	(90,000)
Net Cash from Financing Activities	8,25,000

Cash & Cash Equivalents

Particulars	Amount (₹)
Opening Cash Balance	2,50,000
Add: Operating Cash Flow	23,00,000
Add: Financing Cash Flow	8,25,000
Closing Cash Balance	33,75,000

Answers (CS-I)

Q Answer

- 1 A – ₹ 8,25,000
- 2 B – ₹ 33,75,000
- 3 C – ₹ 5,50,000
- 4 B – ₹ 23,00,000
- 5 C – External Reconstruction

CASE SCENARIO – II

Q6. Relationship

- Associate since significant influence exists.

Q7. Valuation of Inventory (AS-2)

Particulars	₹
Material Cost	200.00
Direct Labour	40.00
Direct Variable Overheads	20.00
Fixed Overheads (15,00,000 / 1,20,000 units)	12.50
Cost per unit	272.50

Inventory value = 11,000 × 272.50 = ₹ 29,97,500

Option B

Q8. Legal Case

- Provision for legal cost: ₹ 75,000
- Contingent liability disclosure: ₹ 10,00,000

Option B

Q9. Borrowing Cost (AS-16) – Interest Cost : 7,50,000

Particulars	₹
USD Loan	1,00,000
Interest @ 5%	5,000
Interest in INR @ ₹80	4,00,000
INR Borrowing	75,00,000
INR interest	7,50,000
Savings	3,50,000
Exchange Loss	5,00,000
Balance as per AS 11	1,50,000

Q10. Exchange Difference (AS-11)

Particulars	₹
Exchange Difference	1,50,000

CASE SCENARIO – III

Q11. Interim Tax Computation

Quarter	Profit (₹)	Tax (₹)
Q1	7,00,000	2,66,000
Q2	8,00,000	3,04,000
Q3	4,00,000	1,52,000
Q4	6,00,000	2,28,000
Total Profit	25,00,000	

Effective tax rate = 38%

3,04,000

Q12. Deferred Tax

Particulars	₹
Excess Tax Depreciation	(6,00,000)
Preliminary Expenses	30,000
Net Temporary Difference	(5,70,000)
Deferred Tax @ 30%	(1,71,000)

Deferred Tax Liability – ₹ 1,71,000

Q13. Construction Contract (AS-7)

Particulars	₹ (Lakhs)
Contract Price	224
Cost Incurred	60
Estimated Future Cost	180
Total Cost	240
Expected Loss	(16)
% Completion	25%
Revenue Recognised	56
Cost Recognised	60
Provision for Loss	12
Total Expense	72

Answer to be considered as Revenue of 56 and Cost of 60

Q14. Investment in Associate

Particulars	₹ (Lakhs)
Cost of Investment	20.00
Share of Profit ($30 \times 10/12 \times 30\%$)	7.50
Less: Dividend Received	(1.50)
Carrying Amount	26.00

Q15. C