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#studentfirst



CA SURAJ LAKHOTIA

(AIR 1,4,2)

1FIN By AVINASH



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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!

Our Rankers

AIR 1



Noor Singla
CA Final May-26

AIR 1



Diksha Goyal
CA Final Jan-26

AIR 49



Hamsa Gayatri
CA Final Sep-25

AIR 27



Sudeepta Benya
CA Final Nov-24

Advanced Accounting – MCQ Solutions

Case Scenario I – Starline Ltd.

Q1. (A) ₹13,00,000

Cost = $10,000 \times ₹150 + 1\% \text{ brokerage} = ₹15,15,000$.

Less pre-acquisition dividend (declared for FY 2024-25) $10,000 \times ₹10 = ₹1,00,000$, giving ₹14,15,000.

Current investment carried at lower of cost and fair value. $FV = 10,000 \times ₹130 = ₹13,00,000$, which is lower.

Carrying amount = ₹13,00,000.

Q2. (A)

Lawsuit: 70% chance ($> 50\%$) indicates a probable outflow, so recognise a provision at best estimate ₹8,00,000. However, if we assume its not a reliable estimate, then it would be contingent.

Environmental clean-up: no legal obligation, but a constructive obligation arises from the widely publicised policy, so recognise a provision ₹2,50,000.

Q3. (C) ₹1,20,75,000

NRV per flat = $₹22,50,000 - 5\% \text{ brokerage (₹1,12,500)} - \text{cost to complete (₹9,30,000)} = ₹12,07,500$.

NRV ₹12,07,500 $<$ cost ₹15,90,000, so value at NRV.

10 flats $\times$ ₹12,07,500 = ₹1,20,75,000.

Q4. (C) ₹4,60,000

Borrowing cost = $₹50,00,000 \times 12\% \times 10/12$ (Apr 2025 to Jan 2026, until asset ready for use) = ₹5,00,000.

Less temporary income on unutilised funds ₹40,000.

Capitalisable borrowing cost = ₹4,60,000.

Q5. (C)

increases in economic benefits in the form of inflow or enhancement of assets, or decrease in liabilities, resulting in increases in equity, other than contributions from equity participants.

Case Scenario II – Gram Dynamics Ltd. (Buy-back)

Q6. (B) ₹55,50,000

Capital Reserve 50,000 + CRR 6,00,000 + Revaluation Reserve 3,00,000 + Revenue Reserve $(40,00,000 - 6,00,000)$ 34,00,000 + Securities Premium 0 + P&L $(18,00,000 - 1,00,000 \text{ premium} - 5,00,000 \text{ loss on investments})$ 12,00,000.

Total Reserves & Surplus = ₹55,50,000.

Q7. (A)

Buy-back is a financing activity: outflow ₹9,00,000 (face value + premium).

Sale of investments is an investing activity: inflow equals actual proceeds ₹25,00,000.

Q8. (D)

CRR can be utilised only for issuing fully paid-up bonus shares to members.

Q9. (D)

CRR = face value of shares bought back = $60,000 \times ₹10 = ₹6,00,000$, transferred out of revenue reserve.

Closing Revenue Reserve = $₹40,00,000 - ₹6,00,000 = ₹34,00,000$.



Q10. (C) ₹73,70,000

Proposed dividend = Equity 10% × 3,20,00,000 (32,00,000) + Preference 9% × 70,00,000 (6,30,000) = ₹38,30,000.

Less current year profit ₹12,00,000, so amount drawn from General Reserve = ₹26,30,000.

Closing General Reserve = ₹1,00,00,000 – ₹26,30,000 = ₹73,70,000.

Case Scenario III – Earth Ltd.

Q11. (B) ₹194.50 lakhs

Asset cost (grant netted off) = 250 – 50 = ₹200 lakhs.

WDV: Year 1 = 200 × 85% × 85% = 144.50 lakhs.

On refund of grant, the grant amount is added back to the asset: 144.50 + 50 = ₹194.50 lakhs.

Q12. (B) ₹3,50,000

Actual return = Closing FV 15,00,000 – Opening FV 10,00,000 – Contributions 2,75,000 + Benefits paid 1,25,000.

Actual return on plan assets = ₹3,50,000.

Q13. (D) ₹4,500

Closing provision: Dec-2024 invoice (< 1 year remaining) 3,00,000 × 2% = 6,000; Oct-2025 invoice (> 1 year) 2,50,000 × 3% = 7,500. Total = ₹13,500.

Less opening provision ₹9,000.

Transfer from P&L = ₹4,500.

Q14. (A) Loss of ₹4,50,000

Forward premium = (93 – 90) × 3,00,000 = ₹9,00,000 over 6 months.

Amortise 3 months (Jan–Mar 2026) to FY 2025–26 = 9,00,000 × 3/6 = ₹4,50,000 loss.

Q15. (B)

Sabbatical leave is service-linked and availed once every 5 years, hence not due wholly within 12 months, so it is treated as an other long-term employee benefit.

