P18 · December 2026 · the questions to study

topic by topic, in study-material order

WHY THIS LIST

The exam keeps asking the same concepts. Share of each paper's marks on a concept that had already been asked in an earlier paper:

Jun'24 64% · Dec'24 42% · Jun'25 79% · Dec'25 74% · Jun'26 98%. Adding ICMAI's practice papers of the term: Jun'26 **98%**. This list is every concept asked in the seven papers (Jun'23–Jun'26) and in ICMAI's Jun'26 MQP, PTP and postal paper, plus our Dec'26 calls for concepts not yet asked. The rest of the marks come from new questions on the same topics (every Jun'26 question was on a topic asked before).

HOW TO READ A ROW

- ★★★ concept asked in 3+ of the 7 papers, or one of our Dec'26 calls: prepare first
- ★★ concept asked in 2 papers
- ★ asked once, or only in ICMAI's practice papers · SM exercise lines: if time
- **What the stars were worth** (tested on Jun'26, counting only the papers before it): ★★★ concepts carried **63%** of its marks, ★★★ + ★★ **83%**, all three **98%**.
- **Answer in**: where your coaching books already answer the same question — for a sum: the SM illustration or ICMAI workbook problem the exam copied ("same problem") or closely followed ("similar problem"); its full solution is printed right after it. Blank = practise the problems listed under the topic.
- **Sums are listed by what they ask**, not the full problem: open the paper (or the SM / workbook page) to solve it. Each topic ends with **Problems to solve** from the SM and the workbook: ★★★ = the exam already used it, ★★ = SM illustration or workbook problem, ★ = SM exercise sum.

MCQ PLACES (Q1, 15 × 2 MARKS): TOPIC IN EACH PLACE, LAST FOUR PAPERS

Q1	Dec'24	Jun'25	Dec'25	Jun'26
(i)	1.10	3.0	1.1	1.3
(ii)	6.2	8.2	1.1	1.5
(iii)	8.1	6.2	1.7	1.2
(iv)	8.1	1.1	1.1	1.1
(v)	5.2	1.4	2.0	3.0
(vi)	3.0	5.2	2.0	2.0
(vii)	3.0	8.4	5.2	5.2
(viii)	7.7	1.5	5.2	5.2
(ix)	1.8	6.2	5.9	5.12
(x)	2.0	1.9	6.3	6.3
(xi)	1.4	5.3	6.8	6.3
(xii)	1.7	7.8	5.8	6.2
(xiii)	5.2	4.0	7.7	7.1
(xiv)	6.3	1.12	8.4	7.8
(xv)	7.9	5.7	7.2	8.4

DEC'26 MCQ CALLS: ONE TOPIC PER PLACE (A CALL, NOT A PROMISE)

Place	Call	Runner-up	Why
(i)	**1.3 Property, plant and equipment (Ind AS 16)**	1.12 Revenue (Ind AS 115)	1.3 in J26 and the MQP.
(ii)	**1.12 Revenue from contracts (Ind AS 115)**	1.5 Foreign exchange (Ind AS 21)	1.12 in the MQP and PTP; 1.5 J26; 1.1 D25.
(iii)	**1.2 Income taxes (Ind AS 12)**	1.7 Impairment (Ind AS 36)	1.2 in J26 and the MQP; 1.7 in D25 and the PTP.
(iv)	**1.1 Accounting policies (Ind AS 8)**	1.9 Share-based payment	1.1 in J25, D25 and J26.
(v)	**2.0 Valuation of shares**	3.0 Financial instruments	2.0 in D25, MQP and PTP; 3.0 in J26.
(vi)	**2.0 Valuation of shares / goodwill**	3.0 Financial instruments	2.0 in D25, J26 and the MQP.
(vii)	**5.2 Business combinations (Ind AS 103)**	5.3 Amalgamations	5.2 in D25, J26 and the MQP.
(viii)	**5.2 Business combinations (second item)**	5.3 Amalgamations	5.2 in D25, J26 and the PTP.
(ix)	**5.9 Business combination under common control**	5.12 Internal reconstruction	5.9 in D25 and the MQP; 5.12 J26.

(x)	**6.3 Consolidation procedure**	6.8 Joint operations	6.3 in D24, D25, J26 and the MQP.
(xi)	**6.3 Consolidation (second item)**	6.8 Joint operations	6.3 in J26 and the MQP; 6.8 D25.
(xii)	**6.2 Associates and joint ventures**	6.9 Disclosures	6.2 J26; 6.9 MQP; 5.8 D25.
(xiii)	**7.4 Integrated reporting**	7.1 4P bottom line	Module 7 every time: 7.7 D25, 7.1 J26 and PTP, 7.4 MQP.
(xiv)	**7.9 EVA and MVA**	7.8 Value added statement	7.8 J26, 7.9 MQP, 7.4 PTP, 8.4 D25: the most mixed place.
(xv)	**8.1 Government accounting principles**	8.4 Government accounting standards	8.1 in the MQP and PTP; 8.4 in J26.

1.1 Accounting Policies, Changes in Accounting Estimates and Errors (Ind AS 8)

SM pp. 8–10 · marks per attempt: **J26-2 · D25-6 · J25-2 · D23-4** · Dec'26 forecast: tier **B**, chance of any marks **72% (Likely)**, of a 7-mark question 0% (Rare), expected **2.1** marks (MCQ facts / formulas only)

MCQs asked on this topic

Priority	Question	Asked / marks	Answer in
★★★	(iv) A company changes its method of valuation of inventories from weighted average method to FIFO method. As per Ind AS 8, this change should ordinarily be accounted for as: (A) Change in estimate, prospectively (B) Change in accounting policy, prospectively (C) Change in accounting policy, retrospectively (D) Correction of prior period error	D23 Q1(vi) · J25 Q1(iv) · J26 Q1(iv) · 2 m · asked in 4 papers	
★★★	(iv) Changes in accounting estimates under Ind AS 8 are applied: (A) Prospectively (B) Retrospectively (C) Both retrospectively and prospectively (D) At manager's discretion	D25 Q1(iv) · 2 m · asked in 4 papers	
★	(i) MEGHNA Ltd. provides you the following information relating to 5,25,225 units of intermediate component held by it on 31.03.2025: Purchase cost per unit ₹ 100 Estimated selling price ₹ 130 Cost to sell ₹ 10 Cost of conversion ₹ 5 What should be the value of inventory as per the requirements of Ind AS 2, Inventories? (A) ₹ 5,25,22,500 (B) ₹ 6,30,27,000 (C) ₹ 5,51,48,625 (D) None of the above	D25 Q1(i) · 2 m	
★	(ii) VENUS Ltd. has equity capital of ₹ 40,00,000 consisting of fully paid equity shares of ₹ 10 each. The net profit after tax for the year 2024-25 was ₹ 60,00,000. It has also issued 36,000, 10% convertible debentures of ₹ 50 each. Each debenture is convertible into five equity shares. The tax rate applicable is 30%. The amount of diluted earnings is: (A) ₹ 60,00,000 (B) ₹ 61,26,000 (C) ₹ 61,80,000 (D) ₹ 43,26,000	D25 Q1(ii) · 2 m	
★	(ix) ORBIT Ltd. provides you following data regarding defined benefit pension plan for the year ended 31.03.2023 | Particulars | ₹ | | | Benefits paid | 2,00,000 | | Employer contribution | 2,80,000 | | Fair market value of plan assets on 31.03.23 | 11,40,000 | | Fair market value of plan assets as on 31.03.22 | 8,00,000 | The amount of actual return of plan assets is: (A) ₹ 2,80,000 (B) ₹ 2,60,000 (C) ₹ 2,00,000 (D) ₹ 4,60,000	D23 Q1(ix) · 2 m	

MCQ bank for this topic (ICMAI MCQ bank question numbers): Q3, Q15, Q127

1.2 Income Taxes (Ind AS 12)

SM pp. 11–15 · marks per attempt: **J26-9 · D25-7 · J24-4 · J23-2** · Dec'26 forecast: tier **B**, chance of any marks **59% (Possible)**, of a 7-mark question 29% (Unlikely), expected **2.3** marks (MCQ facts + one sum / answer type)

OUR DEC'26 CALLS FOR THIS TOPIC

1. Taxable profit, current tax, deferred tax (depreciation difference, provision allowed on payment, permanent disallowance, OCI revaluation, carried-forward losses) and total tax expense; one line on the Pillar Two exception. [REPEAT+NEW-LAW · D25 Q2(a), J26 Q2(a); J23 Q1(x); Jun'26 supplementary: Ind AS 12 paras 4A, 88A-88D]

Long questions and sums asked (past papers and ICMAI practice papers)

Priority	Question	Asked / marks	Answer in
★★★	Taxable profit, current tax, deferred tax, total tax expense (depreciation, warranty, preliminary expenses, OCI revaluation, losses)	J26 Q2(a) · 7 m · asked in 3 papers	
★★★	Deferred tax on a block of assets with a sale above WDV (Ind AS 12, 35%)	D25 Q2(a) · 7 m · asked in 3 papers	

MCQs asked on this topic

Priority	Question	Asked / marks	Answer in
★★★	(iii) An asset is purchased for ₹ 10,00,000; Accounting depreciation: ₹ 1,00,000 p.a. (SLM, 10 years, no residual value); Tax depreciation: ₹ 2,00,000 p.a. (accelerated, 5 years). Tax rate is 30% including surcharge etc. The business is profitable and no nontax deductible items are involved. At the end of Year 1, the treatment required under Ind AS 12 is: (A) Recognize deferred tax asset of ₹ 30,000 (B) Recognize deferred tax liability of ₹ 30,000 (C) Recognize deferred tax liability of ₹ 60,000 (D) Recognize deferred tax asset of ₹ 60,000	J26 Q1(iii) · 2 m · asked in 3 papers	
★★★	(x) From the given information, you are required to compute the Deferred Tax Assets (DTA) and Deferred Tax Liability (DTL) for CBDT Ltd as on 31st March 2023. The tax rate applicable is 35%. (i) The company has charged a depreciation of ₹7,42,900 in its Books of Accounts while as per Income Tax computation, the depreciation available to the company is ₹8,65,400. (ii) The company has made Provision for Doubtful Debts for ₹54,300 during the year. (iii) The company has debited Share Issue Expenses of ₹6,23,500 which will be available for deduction under the Income Tax Act from the next year. (iv) The expenses of ₹7,84,500 has been charged to the Profit and Loss Account which are disallowed unde	J23 Q1(x) · 2 m · asked in 3 papers	
★	(viii) ABC Ltd. reports quarterly and in the quarter ended 30.06.2023, it earned pre-tax profit of ₹ 3 crore but it expects to incur losses of ₹ 1 crore in each of three remaining quarter of the financial year. The tax rate on income is 30%. The management believes that since the company has zero income for the financial 2023-24, its income-tax expenses for the year will be zero. Calculate the amount of tax expenses to be reported in the first and fourth quarters. (A) ₹ 90 lakh and Nil (B) Nil and Nil (C) ₹ 90 lakh and (₹ 30) lakh (D) None of the above	J24 Q1(viii) · MQP Q1(iii) · 2 m	
★	(xiv) Surendra Ltd., a parent, sold goods costing ₹ 400 lakh to its 80% subsidiary, Narendra Ltd. at ₹ 480 lakh. 50% of these goods are lying in stock as at 31st March, 2024. Narendra Ltd. has measured this inventory at cost i.e., at ₹ 240 lakh. The tax rate is 30%. The deferred tax to be shown in the consolidated financial statements is: (A) ₹ 12 lakh (B) ₹ 60 lakh (C) ₹ 72 lakh (D) ₹ 120 lakh	J24 Q1(xiv) · PTP Q1(x) · 2 m	

Problems to solve (5): SM illustrations, SM exercise sums, ICMAI workbook

Priority	Problem (what it asks)	Where	Came in the exam
★★	Practical problem: A company measured accounting profit of ₹ 80,000 after charging depreciation of…	SM M1 Illus. 1 · SM p.12	
★★	Practical problem: (a) A fixed asset is acquired at ₹1,50,000 with life 5 years, no residual value…	SM M1 Illus. 2 · SM p.13	
★★	Practical problem: A company creates provision for Gratuity and Leave encashment and recognises…	SM M1 Illus. 3 · SM p.14	
★★	Deferred tax when a machine gets 100% tax relief in year one: current and deferred tax over its life	Workbook ch.1 illustration 1 · WB p.1	
★★	Tax bases and temporary differences of several assets and liabilities; deferred tax	Workbook ch.1 illustration 2 · WB p.2	

MCQ bank for this topic (ICMAI MCQ bank question numbers): Q21, Q22

1.3 Property, Plant and Equipment (Ind AS 16)

SM pp. 16–25 · marks per attempt: **J26-2 · J25-7 · D24-7 · J24-4 · D23-2 · J23-5** · Dec'26 forecast: tier **B**, chance of any marks **63% (Likely)**, of a 7-mark question 40% (Possible), expected **2.9** marks (MCQ facts + one sum / answer type)

OUR DEC'26 CALLS FOR THIS TOPIC

1. Revaluation of plant: (i) restate the gross amount proportionately, (ii) eliminate accumulated depreciation; entries and depreciation after revaluation (or component replacement + revaluation + impairment entries). [ROTATION+PRACTICE · D24 Q2(a) (= PTP Q2(a)), J25 Q2(a); J26 Q1(i) revaluation MCQ]

Long questions and sums asked (past papers and ICMAI practice papers)

Priority	Question	Asked / marks	Answer in
★★★	Machinery bought in dollars on credit and revalued: entries for two years (Ind AS 21 + 16) (listed under 1.5 too)	D25 Q2(b) · MQP Q2(b) · 7 m	
★★★	Component replaced, then revaluation and impairment of a machine: journal entries (Ind AS 16)	J25 Q2(a) · 7 m	same problem: Workbook ch.2 illustration 4 (WB p.30; solution there) · same problem: SM M1 Illus. 8 (SM p.23; solution there)
★★★	Revaluation: restate gross amount proportionately vs eliminate accumulated depreciation; entries and new depreciation	D24 Q2(a) · PTP Q2(a) · 7 m	
★★★	Impairment of a revalued machine: loss against the revaluation reserve first, then P&L (listed under 1.7 too)	D23 Q2(b) · 7 m	
★	Plant account over the whole life: borrowing, trial run, grant, sale, revaluation, WDV switch, held for disposal (Ind AS 16)	J23 Q2(a)(ii) · 5 m	same problem: SM M6 Illus. 8 (SM p.305; solution there) · same problem: SM M6 Illus. 5 (SM p.299; solution there)

MCQs asked on this topic

Priority	Question	Asked / marks	Answer in
★★★	(i) Sonu Ltd. has a machinery on 1st April, 2024 with carrying amount of ₹ 28,00,000 after annual depreciation of ₹ 3,00,000 with remaining useful life of 9 years and residual value of ₹ 1,00,000. Depreciation is charged on straight line method. On 31st March, 2025, the machine is revalued at ₹ 29,00,000. As per Ind AS-36 the amount of depreciation for the year 2025-26 will be (A) ₹ 3,00,000 (B) ₹ 3,62,500 (C) ₹ 3,50,000 (D) ₹ 3,11,111	J26 Q1(i) · 2 m · asked in 2 papers	same problem: SM M1 Illus. 12 (SM p.44; solution there)
★★	(vii) CORE Ltd. has a plant with a carrying amount of ₹ 1,20,000 as on April 1, 2022. Useful life is 10 years of which 4 years remains on the date. The company decides to revalue the plant to ₹ 2,00,000 on April 1, 2022 and recognize revaluation reserve of ₹ 80,000. Calculate depreciation to be accounted for in the Statement of Profit or Loss in 2022-23. (A) ₹ 30,000 (B) ₹ 50,000 (C) ₹ 12,000 (D) ₹ 10,000	D23 Q1(vii) · MQP Q1(i) · 2 m · asked in 2 papers	
★	(x) On April 1, 2019, RIHAND Ltd. purchased heavy-duty equipment for ₹ 4,00,000. On the date of installation, it was estimated that the machine has a useful life of 10 years and a residual value of ₹ 40,00,00. Accordingly, the annual depreciation worked out to ₹ 36,000 = [(₹ 4,00,000 – ₹ 40,000) / 10]. On April 1, 2023, after four years of using the equipment, the company decided to review the useful life of the equipment and its residual value. Technical experts were consulted. According to them, the remaining useful life of the equipment at April 1,2023 was seven years and its residual value was ₹46,000. Compute the revised annual depreciation for the year 2023-24 and future years. (A)	J24 Q1(x) · 2 m	
★	(xi) Narmada Ltd. owns a machinery which is carried in its Balance Sheet at the carrying amount of ₹ 15 million. The fair value of the machinery is ₹ 22.5 million. It exchanges this machinery for a building having a fair value of ₹ 30 million and pays additional cash of ₹ 4.5 million. As per the relevant Ind AS, the profit on exchange of machinery is: (A) ₹ 7.5 million (B) ₹ 12 million (C) ₹ 19.5 million (D) None of the above	J24 Q1(xi) · 2 m	

Problems to solve (5): SM illustrations, SM exercise sums, ICMAI workbook

Priority	Problem (what it asks)	Where	Came in the exam
★★★	Practical problem: Alfa Ltd. Has machinery at cost ₹ 4,800 and provision for depreciation ₹ 1,600…	SM M1 Illus. 8 · SM p.23	J25 Q2(a)
★★	Practical problem: X Ltd. Sets up a plant at the purchase price of ₹5,00,000 plus GST at 18%…	SM M1 Illus. 4 · SM p.19	
★★	Practical problem: B Ltd. has incurred the following transactions in respect of acquiring a plant…	SM M1 Illus. 5 · SM p.20	
★★	Practical problem: A Ltd. Purchased an aircraft at a price of ₹6,300 crores that requires major…	SM M1 Illus. 6 · SM p.21	
★★	Practical problem: X Ltd. Purchased a machine at a price of ₹ 1,200 Lakhs	SM M1 Illus. 7 · SM p.22	

★ **SM exercise (if time):** M4 short essay 3 (p.189): Derecognition under Ind AS 16: Property, Plant and Equipment (PPE)

MCQ bank for this topic (ICMAI MCQ bank question numbers): Q10, Q11, Q136

1.4 Leases (Ind AS 116)

SM pp. 26–34 · marks per attempt: **J25-2 · D24-2 · J24-7 · D23-7 · J23-10** · Dec'26 forecast: tier **B**, chance of any marks **64% (Likely)**, of a 7-mark question 45% (Possible), expected **3.2** marks (MCQ facts + one sum / answer type)

OUR DEC'26 CALLS FOR THIS TOPIC

1. Lessor: work out the annual lease payment so that the PV of payments + unguaranteed residual value equals the cost; unearned finance income; finance or operating lease? (or the lessee side: lease liability, splitting lease and non-lease components) [ROTATION+PRACTICE · D23 Q2(a), J24 Q2(a) (lessee, facilities split), J23 Q1(v) + Q8(a); MQP Q2(a)]

Long questions and sums asked (past papers and ICMAI practice papers)

Priority	Question	Asked / marks	Answer in
★★★	Lessee: lease and non-lease (facilities) components split by stand-alone prices; lease liability	J24 Q2(a) · 7 m	
★★★	Lessor: annual lease payment and unearned finance income (unguaranteed residual value)	D23 Q2(a) · 7 m · asked in 2 papers	
★	Finance lease: year-1 entries in the lessee's and the lessor's books (guaranteed residual value)	J23 Q8(a) · 8 m	

MCQs asked on this topic

Priority	Question	Asked / marks	Answer in
★★★	(v) AMLA TULSI Ltd. initiated a lease for 5 years in respect of equipment costing ₹34,51,640 with an expected useful life of 8 years. The asset would revert to BHARAT Ltd. under the lease agreement. The unguaranteed residual value of the equipment after the expiry of the lease term is estimated at ₹2,00,000. The implicit rate of interest is 15%. The annual payments have been determined in such a way that the present value of the lease payment plus the residual value is equal to the cost of the asset. Calculate the Unearned Finance Income. [Present Value of ₹1 at 15% rate of Interest at the end of 1st year, 2nd year, 3rd year, 4th year and 5th year are 0.8696, 0.7561, 0.6575, 0.5718 and 0.497	J23 Q1(v) · MQP Q2(a) · 2 m · asked in 2 papers	
★	(v) ALAKANANDA Ltd. took an asset on a 5 years lease from MANDAKINI Ltd. for which relevant details are as under: [2] Payments over the lease term ₹1,000 per month Contingent rent ₹20,000 Cost for service given by MANDAKINI Ltd. ₹40,000 Taxes to be reimbursed to MANDAKINI Ltd. ₹15,000 Residual value guaranteed by ALAKANANDA Ltd. ₹5,000 Fair value of the asset after 5 years ₹6,000 Also, ALAKANANDA Ltd. has an option to purchase the asset after a period of 5 years at ₹2,000. It is reasonably certain that ALAKANANDA Ltd. will exercise the option. Calculate Minimum Lease Payment. (A) ₹ 67,000 (B) ₹ 87,000 (C) ₹ 86,000 (D) ₹ 65,000	J25 Q1(v) · 2 m	

Priority	Question	Asked / marks	Answer in
★	(xi) AURA Ltd. leased a machine with a fair value of ₹ 1,65,000 for a period of 5 years under a finance lease. The initial direct costs incurred in negotiating the lease were ₹ 1,250. The present value of the minimum lease payments discounted at the rate implicit in the lease is ₹ 1,58,400. Under the requirements of Ind AS 116 leases, the amount for which the machine be recognised in AURA's financial statements is ____ (A) ₹ 1,66,250 (B) ₹ 1,58,400 (C) ₹ 1,59,650 (D) ₹ 1,65,000	D24 Q1(xi) · 2 m	

Problems to solve (4): SM illustrations, SM exercise sums, ICMAI workbook

Priority	Problem (what it asks)	Where	Came in the exam
★★	Practical problem: Lessor Y leases out an equipment (carrying amount ₹ 1,36,000 having 5 years...	SM M1 Illus. 9 · SM p.29	
★★	Lessee accounting when rentals rise with the price index: remeasuring the lease liability	Workbook ch.1 illustration 9 · WB p.9	
★★	Lease with a maintenance component: separate lease and non-lease parts, lessee entries	Workbook ch.1 illustration 10 · WB p.11	
★★	Sale and leaseback at above fair value: seller-lessee and buyer-lessor entries	Workbook ch.1 illustration 11 · WB p.12	

MCQ bank for this topic (ICMAI MCQ bank question numbers): Q106

1.5 The Effects of Changes in Foreign Exchange Rates (Ind AS 21)

SM pp. 35–38 · marks per attempt: **J26-2 · D25-7 · J25-2** · Dec'26 forecast: tier **B**, chance of any marks **56% (Possible)**, of a 7-mark question 40% (Possible), expected **2.6** marks (MCQ facts + one sum / answer type)

OUR DEC'26 CALLS FOR THIS TOPIC

1. Asset bought in foreign currency on credit, revalued at year end, paid next year: journal entries for both years under Ind AS 21 + Ind AS 16 (with the deferred tax on the revaluation). [ROTATION+PRACTICE · D25 Q2(b) (dollars), MQP Q2(b) (CAD); J25 Q1(viii), J26 Q1(ii) MCQs]

Long questions and sums asked (past papers and ICMAI practice papers)

Priority	Question	Asked / marks	Answer in
★★★	Machinery bought in dollars on credit and revalued: entries for two years (Ind AS 21 + 16)	D25 Q2(b) · MQP Q2(b) · 7 m	

MCQs asked on this topic

Priority	Question	Asked / marks	Answer in
★★★	(ii) During the year 2025-26, KAVERI Ltd. purchased a special type of packing material from a USA based company for 14,00,000 on 1st November, 2025, when the exchange rate was 1 = ₹ 85. The American company provided KAVERI Ltd. with 5-month interest-free credit. At the reporting date i.e. 31st March, 2026, the exchange rate was 1 = ₹ 87.50. As at 31st March, 2026, 60% of the material purchased was still in inventory of KAVERI Ltd. The functional currency of KAVERI Ltd. is Indian Rupee. What is the amount of exchange loss/gain to be recognized on 31st March, 2026, in relation to the purchase of material from the American Company? (A) ₹ 35,00,000 exchange loss (B) ₹ 33,20,000 exchange los	J26 Q1(ii) · 2 m · asked in 2 papers	
★★★	(viii) An entity purchases plant from a foreign supplier for 3 million on January 31, 2025, when the exchange rate was ₹72 = 1. At the entity's year-end on March 31, 2025, the amount has not been paid. The closing exchange rate was ₹75 = 1. The entity's functional currency is the INR. Which of the following statements is correct? [2] (A) Cost of plant ₹216 million, exchange loss ₹9 million, trade payable ₹225 million. (B) Cost of plant ₹225 million, exchange loss ₹9 million, trade payable ₹225 million. (C) Cost of plant ₹216 million, exchange loss ₹9 million, trade payable ₹216 million. (D) Cost of plant ₹216 million, exchange loss nil, trade payable ₹216 million.	J25 Q1(viii) · 2 m · asked in 2 papers	

Priority	Question	Asked / marks	Answer in
★	Forward contract premium for the year	POSTAL Q1(viii) · 2 m	

Problems to solve (4): SM illustrations, SM exercise sums, ICMAI workbook

Priority	Problem (what it asks)	Where	Came in the exam
★★	Foreign-currency sale and receivable: entries at transaction date, year end and settlement	Workbook ch.1 illustration 12 · WB p.13	
★★	Land bought abroad: initial measurement and whether to retranslate at year end	Workbook ch.1 illustration 13 · WB p.15	
★★	Foreign-currency loan with part repayment: exchange differences for the year	Workbook ch.1 illustration 14 · WB p.15	
★★	Foreign subsidiary: translate and consolidate balance sheet and profit or loss	Workbook ch.6 illustration 11 · WB p.112	

MCQ bank for this topic (ICMAI MCQ bank question numbers): Q25

1.6 Borrowing Costs (Ind AS 23)

SM pp. 39–40 · marks per attempt: **J24-2 · J23-4** · Dec'26 forecast: tier **B**, chance of any marks **27% (Unlikely)**, of a 7-mark question 23% (Unlikely), expected **1.2** marks (MCQ facts + one sum / answer type)

OUR DEC'26 CALLS FOR THIS TOPIC

1. Specific + general borrowings: capitalisation rate on general borrowings and the borrowing cost to capitalise for a building under construction. [ROTATION · J23 Q8(b)(ii); J24 Q1(xii) MCQ]

Long questions and sums asked (past papers and ICMAI practice papers)

Priority	Question	Asked / marks	Answer in
★★★	Specific + general borrowings: capitalisation rate and interest to capitalise, entries (Ind AS 23)	J23 Q8(b)(ii) · 4 m · asked in 2 papers	same problem: Workbook ch.2 illustration 2 (WB p.26; solution there)

MCQs asked on this topic

Priority	Question	Asked / marks	Answer in
★★★	(xii) Harish Ltd. has taken a loan of USD 22,000 @ 5% p.a., for constructing a plant, interest payable on which is annual. On 1st April, 2023, the exchange rate was ₹ 45 per USD. The exchange rate on 31st March, 2024 is ₹ 48 per USD. Had Harish Ltd. borrowed the corresponding amount from Union Bank of India, the rate of interest would have been 11% p.a. The borrowing cost to be capitalized for the year ended 31st March, 2024 as per the relevant Ind AS is: (A) ₹ 52,800 (B) ₹ 1,08,900 (C) ₹ 56,100 (D) ₹ 66,000	J24 Q1(xii) · 2 m · asked in 2 papers	

★ **SM exercise (if time):** M1 MCQ (not in the bank) 1 (p.96): Practical problem: X Ltd. borrowed 6000 for construction of a qualifying asset at 3% interest pa...

MCQ bank for this topic (ICMAI MCQ bank question numbers): Q23, Q24

1.7 Impairment of Assets (Ind AS 36)

SM pp. 41–45 · marks per attempt: **D25-2 · J25-7 · D24-9 · J24-2 · D23-7** · Dec'26 forecast: tier **A**, chance of any marks **71% (Likely)**, of a 7-mark question 53% (Possible), expected **4** marks (7-mark sum / answer + MCQ facts)

OUR DEC'26 CALLS FOR THIS TOPIC

1. Impairment: carrying amount, value in use (discounted cash flows), fair value less costs of disposal, impairment loss and revised carrying amount; a revalued asset (loss against revaluation surplus first); a falling net selling price and value in use. [REPEAT+PRACTICE · D23 Q2(b), D24 Q2(b), J25 Q2(b) (= PTP Q2(b)); MCQs J24 Q1(ix), D24 Q1(xii), D25 Q1(iii) (CGU, goodwill first)]

Long questions and sums asked (past papers and ICMAI practice papers)

Priority	Question	Asked / marks	Answer in
★★★	Development of a production process: expense before criteria met, carrying amounts, impairment (listed under 1.8 too)	J26 Q2(b) · 7 m · asked in 5 papers	same problem: Workbook ch.2 illustration 4 (WB p.30; solution there)
★★★	Impairment with falling net selling price and value in use; disposal-cost case	J25 Q2(b) · PTP Q2(b) · 7 m	
★★★	Impairment: carrying amount, value in use from discounted cash flows, loss, revised carrying amount	D24 Q2(b) · 7 m	
★★★	R&D of a new system: expense, amount capitalised, impairment (value in use), carrying amount (listed under 1.8 too)	J24 Q2(b) · 7 m · asked in 5 papers	same problem: SM M6 Illus. 8 (SM p.305; solution there) · same problem: SM M6 Illus. 5 (SM p.299; solution there)
★★★	Impairment of a revalued machine: loss against the revaluation reserve first, then P&L	D23 Q2(b) · 7 m	

MCQs asked on this topic

Priority	Question	Asked / marks	Answer in
★★★	(iii) CORE Ltd. operates a production line which is treated as a cash generating unit for impairment review purposes. As at 31st March 2025, the carrying amounts of assets are as follows: Goodwill ₹ 50,000 Plant & Machinery ₹ 2,00,000 Total ₹ 2,50,000 The recoverable amount is estimated at ₹ 1,75,000. Calculate the revised carrying amount of assets in accordance with Ind AS 36. (A) Goodwill ₹ 50,000 and Plant & Machinery ₹ 1,25,000 (B) Goodwill ₹ 35,000 and Plant & Machinery ₹ 1,40,000 (C) Goodwill ₹ Nil and Plant & Machinery ₹ 1,75,000 (D) None of the above	D25 Q1(iii) · 2 m	
★★★	(xii) A Ltd. has a machine whose original cost was ₹ 1,20,000. The accumulated depreciation on the machine is ₹ 45,000. Similar machine has recently been sold in the same locality at ₹ 65,000 with selling expenses ₹ 4,000. Management determined the entity specific present value of future cash flows of the machine as ₹ 68,000. Impairment loss will be ____ (A) ₹ 10,000 (B) ₹ 6,000 (C) ₹ 14,000 (D) ₹ 7,000	D24 Q1(xii) · 2 m · asked in 2 papers	same problem: SM M1 Illus. 10 (SM p.41; solution there)
★★★	(ix) EARTH Ltd. purchased an equipment for ₹ 51 lakh on April 1, 2023. The useful life of the equipment is 5 years and the residual value is estimated to be ₹ 1 lakh. The company adopts straight line method of depreciation. On March 31, 2024, a test for impairment was conducted after obtaining the following information: Fair value less costs to sell ₹ 36 lakh Value in use ₹ 32 lakh Having regard to Ind AS 36, calculate the impairment loss to be recognized for the year ending March 31,2024. (A) ₹ 4,00,000 (B) ₹ 9,00,000 (C) ₹ 5,00,000 (D) None of the above	J24 Q1(ix) · PTP Q1(iii) · 2 m · asked in 2 papers	

Problems to solve (10): SM illustrations, SM exercise sums, ICMAI workbook

Priority	Problem (what it asks)	Where	Came in the exam
★★★	Practical problem: A Ltd. Has a machine whose original cost was ₹ 45,000	SM M1 Illus. 10 · SM p.41	D24 Q1(xii)
★★★	Practical problem: An entity has a machinery on 01.04.2017 with carrying amount of ₹ 28,00,000...	SM M1 Illus. 12 · SM p.44	J26 Q1(i)
★★	Practical problem: An entity has the following assets with relevant data on the reporting data :...	SM M1 Illus. 11 · SM p.43	
★★	Impairment of an idle machine: recoverable amount, loss and accounting entries	Workbook ch.1 illustration 4 · WB p.4	
★★	Impairment loss of a damaged factory (cash-generating unit) allocated to its assets	Workbook ch.1 illustration 5 · WB p.5	
★★	Impairment of two cash-generating units and unallocated goodwill	Workbook ch.1 illustration 6 · WB p.6	

Priority	Problem (what it asks)	Where	Came in the exam
★★	Reversal of an impairment loss on a cash-generating unit	Workbook ch.1 illustration 7 · WB p.7	
★★	Allocate a cash-generating unit's impairment loss to goodwill and other assets	Workbook ch.1 illustration 8 · WB p.8	
★★	Goodwill impairment of a subsidiary with NCI at fair value and at share of net assets	Workbook ch.6 illustration 3 · WB p.90	
★★	Goodwill impairment test with NCI measured two ways	Workbook ch.6 illustration 8 · WB p.102	

MCQ bank for this topic (ICMAI MCQ bank question numbers): Q4, Q100

1.8 Intangible Assets (Ind AS 38)

SM pp. 46–47 · marks per attempt: **J26-7 · D24-2 · J24-7 · D23-2 · J23-9** · Dec'26 forecast: tier **B**, chance of any marks **44% (Possible)**, of a 7-mark question 29% (Unlikely), expected **1.8** marks (MCQ facts + one sum / answer type)

OUR DEC'26 CALLS FOR THIS TOPIC

1. Internally developed process: expense before the recognition criteria were met, cost capitalised after, carrying amount at each year end, amortisation and impairment test. [REPEAT · J23 Q8(b)(i), J24 Q2(b), J26 Q2(b); MCQs D23 Q1(viii), D24 Q1(ix)]

Long questions and sums asked (past papers and ICMAI practice papers)

Priority	Question	Asked / marks	Answer in
★★★	Development of a production process: expense before criteria met, carrying amounts, impairment	J26 Q2(b) · 7 m · asked in 5 papers	same problem: Workbook ch.2 illustration 4 (WB p.30; solution there)
★★★	R&D of a new system: expense, amount capitalised, impairment (value in use), carrying amount	J24 Q2(b) · 7 m · asked in 5 papers	same problem: SM M6 Illus. 8 (SM p.305; solution there) · same problem: SM M6 Illus. 5 (SM p.299; solution there)
★★★	New production process: research vs development, carrying amounts, cost, amortisation (Ind AS 38)	J23 Q8(b)(i) · 4 m · asked in 5 papers	same problem: Workbook ch.2 illustration 2 (WB p.26; solution there)
★	Patent amortised in line with expected cash flows (Ind AS 38): entries 2021-22 to 2024-25	J23 Q2(a)(i) · 5 m	same problem: SM M6 Illus. 8 (SM p.305; solution there) · same problem: SM M6 Illus. 5 (SM p.299; solution there)

MCQs asked on this topic

Priority	Question	Asked / marks	Answer in
★★★	(ix) MILKYWAY Ltd. is conducting research in respect of attaching self-charging batteries in all its vehicles. It has already incurred ₹ 15 lakh last year for this research. During the year (2023-24), it incurs ₹5,00,000 each month as a part of its research expenditure. On 01.05.2023, directors found that the research is successful and is going to bring a cash flow of ₹ 300 lakh in the coming years to the company. Calculate the impact of the above transaction in the financial year ended 31st March, 2024 in the books of MILKYWAY Ltd. (A) Expenses ₹ 70 Lakh and Intangible Asset ₹ 300 Lakh (B) Expenses ₹ 55 Lakh and Intangible Asset ₹ 15 Lakh (C) Expenses ₹ 5 Lakh and Intangible Asset ₹ 55 Lakh	D24 Q1(ix) · 2 m · asked in 5 papers	

Priority	Question	Asked / marks	Answer in
★★★	(viii) GALAXY Ltd. is developing a new production process. During the financial year ended 31st March, 2022, the total expenditure incurred was ₹ 50 lakhs. This process met the criteria for recognition as an intangible asset on 1st December, 2021. Expenditure incurred till this date was ₹ 22 lakhs. Further expenditure incurred on the process for the financial year ending 31st March, 2023 was ₹ 80 lakhs. As at 31st March, 2023, the recoverable amount of knowhow embodied in the process is estimated to be ₹ 72 lakhs. This includes estimates of future cash outflows as well as inflows. The amount of impairment loss for the year ended 31st March, 2023 is: (A) ₹ 80 lakhs (B) ₹ 36 lakhs (C) ₹ 28 lak	D23 Q1(viii) · 2 m · asked in 5 papers	same problem: Workbook ch.2 illustration 2 (WB p.26; solution there)

Problems to solve (1): SM illustrations, SM exercise sums, ICMAI workbook

Priority	Problem (what it asks)	Where	Came in the exam
★★	Research versus development costs: what may be capitalised as an intangible and from when	Workbook ch.1 illustration 3 · WB p.3	

MCQ bank for this topic (ICMAI MCQ bank question numbers): Q133

1.9 Share Based Payment (Ind AS 102)

SM pp. 48–62 · marks per attempt: **J26-7 · J25-2 · D24-7 · D23-2 · J23-10** · Dec'26 forecast: tier **B**, chance of any marks **47% (Possible)**, of a 7-mark question 29% (Unlikely), expected **1.9** marks (MCQ facts + one sum / answer type)

OUR DEC'26 CALLS FOR THIS TOPIC

1. Equity-settled ESOP with changing estimates of leavers: expense for each of the 3 years and the entries on vesting / exercise.
   [REPEAT+PRACTICE · D24 Q3(a), J26 Q3(a), J23 Q4(a); postal Q2(a); MCQs D23 Q1(xi), J25 Q1(x)]

Long questions and sums asked (past papers and ICMAI practice papers)

Priority	Question	Asked / marks	Answer in
★★★	ESOP expense each year with changing leaver estimates; entries	J26 Q3(a) · 7 m · asked in 5 papers	
★★★	ESOP with revised departure estimates each year; exercise entries	D24 Q3(a) · 7 m · asked in 5 papers	same problem: SM M1 Illus. 14 (SM p.53; solution there)
★★★	ESOP year-1 expense by fair value method with an annual forfeiture rate; ESOP year-2 expense (forfeiture rate revised); ESOP year-3 expense; Value of options forfeited	J23 Q4(a)(a) · J23 Q4(a)(b) · J23 Q4(a)(c) · J23 Q4(a)(d) · POSTAL Q2(a) · 10 m · asked in 5 papers	

MCQs asked on this topic

Priority	Question	Asked / marks	Answer in
★★★	(x) Puwa Ltd. grants 100 equity share options to each of its 4000 employees conditional on their continuing in service for 3 years Fair value of equity share option on the grant date is ₹60. Nominal value of each share is ₹10. The Remuneration Expense for each year will be [2] (A) ₹ 2,40,00,000 (B) ₹ 80,00,000 (C) ₹ 40,00,000 (D) ₹ 13,33,333	J25 Q1(x) · 2 m · asked in 5 papers	similar problem: SM M1 Illus. 14 (SM p.53; solution there)
★★★	(xi) On 01.04.2022 AURA Ltd. granted 100 share options to each of its 200 employees. The options will vest on 31.03.2025 subject to the condition that they remained as employees for the three years ending 31.03.2025.On 01.04.2022, the fair value of one share option was ₹ 200 and this had increased to ₹ 240 by 31.03.2023. On 01.04.2022, the directors estimated that 180 employees would qualify for these options. At 31.03.2023, this estimate was 190 employees. Calculate the amount to be recognised as expense for the year ended 2022-23. (A) ₹ 13,33,330 (B) ₹ 12,66,667 (C) ₹ 15,20,000 (D) None of the above	D23 Q1(xi) · 2 m · asked in 5 papers	same problem: Workbook ch.2 illustration 4 (WB p.30; solution there)
★	Share-based payment is dealt with by Ind AS 102	MQP Q1(iv) · 2 m	

Problems to solve (10): SM illustrations, SM exercise sums, ICMAI workbook

Priority	Problem (what it asks)	Where	Came in the exam
★★★	Practical problem: based on Service condition (SC) and revision in number of employees (N) Z Ltd....	SM M1 Illus. 14 · SM p.53	D24 Q3(a) · J25 Q1(x) (similar)
★★★	Cash-settled share appreciation rights with leavers: liability and expense each year	Workbook ch.1 illustration 16 · WB p.17	J26 Q3(b)
★★	A	SM M1 Illus. 13 · SM p.49	
★★	Practical problem: PQR Ltd. grants 80 cash share appreciation rights (SARs) to each of its 400...	SM M1 Illus. 15 · SM p.55	
★★	Practical problem: On condition of completion of 3 years service an employee is granted the right...	SM M1 Illus. 16 · SM p.57	
★★	Grant with a non-market performance condition, in which the length of the vesting period...	SM M1 Illus. 17 · SM p.58	
★★	Grant with a performance condition, in which the number of equity instruments varies (Type:...	SM M1 Illus. 18 · SM p.60	
★★	Grant with a performance condition, in which the exercise price varies (Type: Equity settled,...	SM M1 Illus. 19 · SM p.61	
★★	For grants of equity instruments with market conditions	SM M1 Illus. 20 · SM p.61	
★★	Share options vesting on average sales growth: expense year by year	Workbook ch.1 illustration 15 · WB p.16	

MCQ bank for this topic (ICMAI MCQ bank question numbers): Q2, Q104, Q115, Q117, Q118, Q119, Q121, Q130

1.10 Operating Segments (Ind AS 108)

SM pp. 63–67 · marks per attempt: **D25-7 · D24-2 · J23-2** · Dec'26 forecast: tier **B**, chance of any marks **49% (Possible)**, of a 7-mark question 35% (Unlikely), expected **2.2** marks (MCQ facts + one sum / answer type)

OUR DEC'26 CALLS FOR THIS TOPIC

1. Identify the reportable segments: the three 10% tests (revenue incl. inter-segment, results, assets) and the 75% external-revenue test. [REPEAT+PRACTICE · D25 Q3(a), PTP Q3(a), J23 Q1(i), D24 Q1(i)]

Long questions and sums asked (past papers and ICMAI practice papers)

Priority	Question	Asked / marks	Answer in
★★★	Reportable segments of eight segments (10% tests + 75% external revenue)	D25 Q3(a) · 7 m · asked in 3 papers	same problem: SM M1 Illus. 21 (SM p.65; solution there)

MCQs asked on this topic

Priority	Question	Asked / marks	Answer in
★★★	(i) If total External Revenue reported by Operating Segments constitutes ____ of the Entity's Revenue, additional Operating Segments should be identified as Reportable Segments. (A) less than 75% (B) 75% or less (C) less than 90% (D) 90% or less	D24 Q1(i) · 2 m · asked in 3 papers	
★★★	(i) ALOE VERA TULSI Ltd. gives the following data pertaining to its six segments: (in lakhs) | Particulars | A | B | C | D | E | F | Total | | :-- | :-- | :-- | | Segment Assets | 200 | 336 | 132 | 62 | 96 | 54 | 880 | | Segment Results | 260 | (760) | 40 | 40 | (40) | 60 | (400) | | Segment Revenue | 1,200 | 2,480 | 300 | 240 | 340 | 240 | 4,800 | Deferred Tax Assets included in the assets of each segment are A-₹20 lakhs, B-₹16 lakhs, C-₹12 lakhs, D-₹2 lakhs, E-₹16 lakhs, F-₹14 lakhs. Identify the Reportable Segments as per Ind AS 108. (A) A, B, C, D, E, F (B) A, B, C, D, E (C)	J23 Q1(i) · PTP Q3(a) · 2 m · asked in 3 papers	

Problems to solve (2): SM illustrations, SM exercise sums, ICMAI workbook

Priority	Problem (what it asks)	Where	Came in the exam
★★★	Practical problem: An enterprise operates through eight segments, namely, A, B, C, D, E, F, G and...	SM M1 Illus. 21 · SM p.65	D25 Q3(a)
★★	Operating segments: which are reportable under the revenue, profit and asset tests	Workbook ch.1 illustration 17 · WB p.18	

MCQ bank for this topic (ICMAI MCQ bank question numbers): Q16, Q17, Q18, Q19, Q20

1.11 Fair Value Measurement (Ind AS 113)

SM pp. 68–71 · marks per attempt: **J24-7** · Dec'26 forecast: tier **B**, chance of any marks **37% (Possible)**, of a 7-mark question 29% (Unlikely), expected **1.6** marks (MCQ facts + one sum / answer type)

OUR DEC'26 CALLS FOR THIS TOPIC

1. Fair value of an asset sold in two markets: principal market vs most advantageous market (transaction costs vs transport costs). [ROTATION · J24 Q3(a)]

Long questions and sums asked (past papers and ICMAI practice papers)

Priority	Question	Asked / marks	Answer in
★★★	Fair value with a principal market vs the most advantageous market (transaction and transport costs)	J24 Q3(a) · 7 m	

MCQ bank for this topic (ICMAI MCQ bank question numbers): Q1, Q12, Q13, Q14

1.12 Revenue from Contracts with Customers (Ind AS 115)

SM pp. 72–93 · marks per attempt: **J25-9 · D23-9 · J23-2** · Dec'26 forecast: tier **B**, chance of any marks **65% (Likely)**, of a 7-mark question 49% (Possible), expected **3.4** marks (MCQ facts + one sum / answer type)

OUR DEC'26 CALLS FOR THIS TOPIC

1. Sale with a 50% discount voucher (customers lose the ordinary 10% discount): allocate the price between the goods and the voucher, revenue this year and next. [REPEAT+PRACTICE · D23 Q3(a), J25 Q3(a) (same template x 10/3); MQP Q3(a) (retail version)]

Long questions and sums asked (past papers and ICMAI practice papers)

Priority	Question	Asked / marks	Answer in
★★★	Sale with a 50% discount voucher: allocate the price, revenue in each year	D23 Q3(a) · J25 Q3(a) · MQP Q3(a) · 7 m · asked in 2 papers	same problem: SM M1 Illus. 24 (SM p.82; solution there) · same problem: Workbook ch.1 illustration 21 (WB p.22; solution there)

MCQs asked on this topic

Priority	Question	Asked / marks	Answer in
★	(xiv) On 1st January, 2025, Shiva Ltd. entered into a contract with Kalpit Ltd. to sell 50 Laptops at a price of ₹50,000 per Laptop and the goods were delivered in February, 2025. Determine revenue to be recognised by Shiva Ltd. in 2024-25, if 4 sets were found damaged at the time of receiving and hence returned by Kalpit Ltd. [2] (A) ₹25,00,000 (B) ₹27,00,000 (C) ₹23,00,000 (D) ₹24,00,000	J25 Q1(xiv) · POSTAL Q5(a) · 2 m	similar problem: SM M1 Illus. 26 (SM p.83; solution there)
★	(xv) ALAKANANDA Ltd. is engaged in manufacturing and selling of designer furniture. It sells goods on extended credit. ALAKANANDA Ltd. sold furniture for ₹ 80,00,000 to a customer on 01.04.2023, the payment against which was receivable after 12 months with interest at the rate of 3% per annum. The market interest rate on the date of transaction was 8% per annum. Calculate the amount of revenues to be recognized for the above transaction in 2023-24 financial year. (A) Revenue from sale ₹ 80,00,000 and Interest income ₹ 2,40,000 (B) Revenue from sale ₹ 80,00,000 and Interest income ₹ 6,40,000 (C) Revenue from sale ₹ 76,29,630 and Interest income ₹ 6,10,370 (D) None of the above	D23 Q1(xv) · MQP Q1(ii) · 2 m	

Priority	Question	Asked / marks	Answer in
★	(ix) NEEM TULSI LTD, a firm of contractors, provides the following details for the year ended 31st March, 2023: | Particulars | (in lakhs) | | | Fixed Contract Price with an escalation clause | 1,000 | | Work Certified | 500 | | Work not Certified [includes ₹75 lacs for Materials issued out of which material lying unused at the end of the period is ₹4 lacs] | 109 | | Estimated further Cost to Completion	J23 Q1(ix) · 2 m	
★	Machine + spare parts + custody service: when revenue is recognised	PTP Q1(i) · 2 m	
★	Daily service contract: revenue for the year	PTP Q1(ii) · 2 m	

Problems to solve (11): SM illustrations, SM exercise sums, ICMAI workbook

Priority	Problem (what it asks)	Where	Came in the exam
★★★	Practical problem: On 31.03.2020 A Ltd. enter into a contract with a customer for sale of goods of…	SM M1 Illus. 24 · SM p.82	D23 Q3(a)
★★★	Practical problem: On 01.01.2020 A Ltd. entered into a contract with B to sell 20 TV sets at a…	SM M1 Illus. 26 · SM p.83	J25 Q1(xiv) (similar)
★★★	Construction contract modified mid-way: revenue over time by cost progress	Workbook ch.1 illustration 21 · WB p.22	D23 Q3(a)
★★	Determine whether there arise single or multiple performance obligations for the following…	SM M1 Illus. 23 · SM p.81	
★★	Practical problem: On 01.08.2019 A Ltd. enter into a contract with a hotel for daily sanitisation…	SM M1 Illus. 25 · SM p.83	
★★	Practical problem: A. On 31.03.2017 X Ltd. Sold goods at a price of ₹ 1,33,100 payable on…	SM M1 Illus. 27 · SM p.83	
★★	Practical problem: On 01.12.2019 A Ltd. enter into a contract with customer to install a system at…	SM M1 Illus. 28 · SM p.85	
★★	Practical problem: A Ltd. enter into a contract with a customer for construction of a machine at…	SM M1 Illus. 29 · SM p.85	
★★	Sales with a right of return: revenue, refund liability and asset for goods to be returned	Workbook ch.1 illustration 18 · WB p.20	
★★	Bundle discount: allocating the transaction price to three products	Workbook ch.1 illustration 19 · WB p.20	
★★	Sale with payment two years later: significant financing component and entries	Workbook ch.1 illustration 20 · WB p.21	

2.0 Valuation of Shares (including Determination of Goodwill, Post-Valuation of Tangible and Intangible Assets) — 2

SM pp. 106–139 · marks per attempt: **J26-9 · D25-11 · J25-7 · D24-9 · J24-7 · D23-9 · J23-10** · Dec'26 forecast: tier **A**, chance of any marks **96% (Very likely)**, of a 7-mark question 82% (Very likely), expected **9.4** marks (7-mark sum / answer + MCQ facts)

OUR DEC'26 CALLS FOR THIS TOPIC

1. Value of an equity share on net assets basis (revalued assets, partly paid shares / calls in arrear, preference arrears) - the December type. [REPEAT+PRACTICE · D24 Q3(b) (= MQP Q3(b)), D25 Q3(b); D25 Q1(vi); postal Q8]
2. Goodwill at N years' purchase of super profit: adjust past profits (abnormal items, non-trade income, tax rate changes, extra remuneration), capital employed, normal profit, super profit. [REPEAT · D23 Q3(b), J24 Q3(b), J25 Q3(b), J26 Q3(b)]
3. Fair value of a share = average of the intrinsic (net assets) value and the yield value. [REPEAT+PRACTICE · J23 Q5(a), PTP Q3(b); MCQs D23 Q1(x) = J26 Q1(vi)]

Long questions and sums asked (past papers and ICMAI practice papers)

Priority	Question	Asked / marks	Answer in
★★★	Fair value of an equity share: partly paid shares, calls in arrear, revalued assets, debentures redeemed, future maintainable profit	J23 Q5(a) · J26 Q1(vi) · PTP Q3(b) · 10 m · asked in 3 papers	
★★★	Goodwill at 3 years' purchase of super profit over 4 years (tax rate changes, abnormal items, non-trade investment, extra remuneration)	J26 Q3(b) · 7 m · asked in 4 papers	same problem: Workbook ch.2 illustration 4 (WB p.30; solution there) · same problem: Workbook ch.1 illustration 16 (WB p.17; solution there)
★★★	Value of an equity share on net assets basis (partly paid shares, preference arrears)	D25 Q3(b) · 7 m · asked in 2 papers	
★★★	Goodwill at 3 years' purchase of super profit (PPE understated, stock at market, rising profits)	J25 Q3(b) · 7 m · asked in 4 papers	
★★★	Intrinsic value per share: revalued assets + goodwill at 3 years' purchase	D24 Q3(b) · MQP Q3(b) · POSTAL Q8 · 7 m · asked in 2 papers	
★★★	Goodwill at 3 years' purchase of super profit + value of a fully paid share (asset backing), partly paid shares	J24 Q3(b) · 7 m · asked in 4 papers	
★★★	Goodwill at 4 years' purchase of super profit (adjusted profit, average trading capital employed)	D23 Q3(b) · 7 m · asked in 4 papers	
★	Market price per share by earnings (P/E) and dividend-yield methods	POSTAL Q4(b) · 10 m	

MCQs asked on this topic

Priority	Question	Asked / marks	Answer in
★★★	(vi) Given, Net assets at their realizable value = ₹ 274.40 lakhs; Equity shares of ₹ 10 each, fully called-up = ₹ 140 lakhs; and Calls-in-arrear @ ₹ 2 per equity share = ₹ 5.60 lakhs. Based on the above pieces of information, the value of a partly paid up equity share of Mohan Ltd. on net assets basis is: (A) ₹ 20 (B) ₹ 18 (C) ₹ 10 (D) ₹ 8	D25 Q1(vi) · 2 m · asked in 2 papers	
★★★	(x) Normal dividend expected on equity shares of A Ltd. is 8%. The profit available to equity shareholders is ₹ 3,83,125 and value of net asset for equity shareholders is ₹ 40,82,000. Calculate value of each equity share under fair value method if number of outstanding equity share is 1,00,000 and face value is ₹ 10. (A) ₹ 44.36 (B) ₹ 46.26 (C) ₹ 47.89 (D) None of the above	D23 Q1(x) · 2 m · asked in 3 papers	
★	(v) ROCK Ltd. had earned net income of ₹ 72,000 on an average in last four years. Net assets and capital employed in the business were ₹ 4,80,000 and ₹ 5,00,000 respectively. Similar firms earn 12% net return p.a. normally. The value of Goodwill under 'capitalization of profit' and 'capitalization of super profit' are: (A) ₹ 6,00,000 and ₹ 1,20,000 respectively (B) ₹ 1,20,000 and ₹ 12,000 respectively (C) ₹ 72,000 and ₹ 1,00,000 respectively (D) ₹ 1,20,000 and ₹ 1,00,000 respectively	D25 Q1(v) · MQP Q1(v) · PTP Q1(v) · 2 m	similar problem: SM M2 Illus. 16 (SM p.135; solution there)
★	(x) Given by the Poova Mart: Average trading profit of last four years: ₹7,00,000 Average capital employed by the firm: ₹ 45,00,000 Normal rate of return: 10% Present value of annuity of ₹ 1 for 4 years @ 10%: 3.1699 The value of goodwill on the basis of annuity of super profit will be ____ (A) ₹ 22,18,930 (B) ₹ 7,92,475 (C) ₹ 2,20,827 (D) ₹ 6,21,575	D24 Q1(x) · MQP Q1(vi) · PTP Q1(vii) · 2 m	same problem: SM M2 Illus. 11 (SM p.134; solution there)

Problems to solve (27): SM illustrations, SM exercise sums, ICMAI workbook

Priority	Problem (what it asks)	Where	Came in the exam
★★★	Practical problem: The following details relate to M/s XYZ, a firm	SM M2 Illus. 11 · SM p.134	D24 Q1(x)
★★★	Practical problem: A firm values goodwill under 'Capitalisation of profits' method	SM M2 Illus. 16 · SM p.135	D25 Q1(v) (similar)

Priority	Problem (what it asks)	Where	Came in the exam
★★★	Value per share by the net assets method and by the yield method	Workbook ch.2 illustration 2 · WB p.26	J23 Q8(b)(i) · D23 Q1(viii) · J23 Q8(b)(ii)
★★★	Goodwill on closing capital employed after adjusting assets and liabilities	Workbook ch.2 illustration 4 · WB p.30	J26 Q2(b) · J25 Q2(a) · D23 Q1(xi) · J26 Q3(b) · J25 Q6
★★	Practical problem: Forthcoming Year 1 ₹ in Lakh Data provided	SM M2 Illus. 2 · SM p.110	
★★	Practical problem: The following a bridged Balance Sheet as on 31st March, 2021 pertains to S Ltd....	SM M2 Illus. 3 · SM p.116	
★★	Practical problem: The following is the Balance Sheet (as on 31st December, 2017) of N Ltd.: (₹ in...	SM M2 Illus. 4 · SM p.117	
★★	Practical problem: Following is the Balance Sheet of Z Ltd. as on 31st March, 2021	SM M2 Illus. 5 · SM p.122	
★★	Practical problem: The Balance Sheet of Q Limited as on 31.12.2021 is as follows : (₹ in Lakh)...	SM M2 Illus. 6 · SM p.124	
★★	Practical problem: The following is the Balance Sheet of K Ltd. as on 31st March, 2021	SM M2 Illus. 7 · SM p.126	
★★	Practical problem: XY Ltd, a partnership firm, earned profits during the past 5 years as follows	SM M2 Illus. 8 · SM p.131	
★★	Practical problem: XY Ltd, a partnership firm, earned profits during the past 4 years as follows	SM M2 Illus. 9 · SM p.133	
★★	Practical problem: From the following particulars you are required to determine value of goodwill...	SM M2 Illus. 10 · SM p.134	
★★	Practical problem: X Ltd. has EPS ₹ 12 and no	SM M2 Illus. 13 · SM p.136	
★★	Goodwill at three years' purchase of super profit after tax and depreciation adjustments	Workbook ch.2 illustration 1 · WB p.24	
★★	Goodwill at three years' purchase of super profit (normal return on capital employed)	Workbook ch.2 illustration 3 · WB p.28	
★★	Goodwill by capitalisation of profits for a retail business	Workbook ch.2 illustration 5 · WB p.32	
★★	Share value with revalued assets and goodwill at five years' purchase of super profit	Workbook ch.2 illustration 6 · WB p.35	
★★	Goodwill of a proprietor's business by the capitalisation method	Workbook ch.2 illustration 7 · WB p.37	
★	Practical problem: Data provided for forthcoming Year 1 ₹ in Lakh EBIT 800 Depreciation 160 Capex...	SM M1 exercise sum 2 · SM p.98	
★	Practical problem: The following abridged Balance Sheet as on 31st March, 2021 pertains to K Ltd....	SM M1 exercise sum 3 · SM p.99	
★	Practical problem: AB Ltd, earned profits during the past 5 years as follows	SM M1 exercise sum 4 · SM p.100	
★	Practical problem: The following is the Balance Sheet (extract) of Z Ltd. as on 31st March,...	SM M1 exercise sum 5 · SM p.101	
★	Practical problem: Data provided for forthcoming Year 1 ₹ in Lakh EBIT 800 Depreciation 160 Capex...	SM M2 exercise sum 2 · SM p.142	
★	Practical problem: The following abridged Balance Sheet as on 31st March, 2021 pertains to K Ltd....	SM M2 exercise sum 3 · SM p.143	
★	Practical problem: AB Ltd, earned profits during the past 5 years as follows	SM M2 exercise sum 3 · SM p.144	

Priority	Problem (what it asks)	Where	Came in the exam
★	Practical problem: The following is the Balance Sheet (extract) of Z Ltd. as on 31st March, 2021	SM M2 exercise sum 4 · SM p.145	

★ **SM exercise (if time):** M1 short essay 1 (p.95): Some of the most important purposes of Share Valuation · M1 short essay 2 (p.95): Different factors that affect the valuation of shares · M1 short essay 3 (p.95): Different variables which influence the valuation of goodwill under 'Super Profit method · M1 short essay 4 (p.95): Steps involved to find value per share based on market approach · M1 essay 1 (p.95): Under Income Approach how is the value of a business measured using different methods or… · M1 essay 2 (p.95): Different methods of goodwill valuation · M2 solved case 1 (p.106): For selling shares of a shareholder to a purchaser (which are not quoted in the stock… · M2 MCQ (not in the bank) 3 (p.140): The Income approach for Valuation of Shares includes the models/Techniques · M2 MCQ (not in the bank) 4 (p.140): Some of the methods of Goodwill Valuation are Valuation of Shares · M2 short essay 1 (p.142): Some of the most important purposes of Share Valuation · M2 short essay 2 (p.142): Different factors that affect the valuation of shares · M2 short essay 3 (p.142): Different variables which influence the valuation of goodwill under 'Super Profit method · M2 essay 1 (p.142): Under Income Approach how is the value of a business measured using different methods or… · M2 essay 2 (p.142): Practical problem: Explain different methods of goodwill valuation

MCQ bank for this topic (ICMAI MCQ bank question numbers): Q5, Q6, Q7, Q8, Q9, Q26, Q27, Q28, Q29, Q30, Q38, Q39, Q40, Q105, Q112, Q114, Q116, Q128

3.0 Accounting of Financial Instruments

SM pp. 148–155 · marks per attempt: **J26-9 · D25-7 · J25-9 · D24-4 · J24-7 · D23-9 · J23-10** · Dec'26 forecast: tier **A**, chance of any marks **89% (Very likely)**, of a 7-mark question 76% (Likely), expected **7.2** marks (7-mark sum / answer + MCQ facts)

OUR DEC'26 CALLS FOR THIS TOPIC

1. Convertible debentures: liability = PV of interest + redemption at the market rate without conversion, equity = balance; transaction costs split; EIR table; entries. [REPEAT+PRACTICE · D23 Q4(a), J25 Q4(a), J26 Q4(a), J23 Q5(b); MQP Q4(a), postal Q3(a)]
2. Loan with a processing / origination fee: amortisation schedule at the effective interest rate and entries for the first instalment. [REPEAT · J24 Q4(a), D25 Q4(a)]

Long questions and sums asked (past papers and ICMAI practice papers)

Priority	Question	Asked / marks	Answer in
★★★	Convertible debentures with transaction costs: split, cost allocation, EIR table, year-1 entries	J26 Q4(a) · 7 m · asked in 4 papers	
★★★	Term loan with a processing fee: EIR amortisation schedule and entries	D25 Q4(a) · 7 m · asked in 2 papers	
★★★	Convertible debentures: liability, equity, finance cost and entries for 3 years	J25 Q4(a) · 7 m · asked in 4 papers	
★★★	Below-market loan with an origination fee: initial amount and EIR interest income	J24 Q4(a) · 7 m · asked in 2 papers	
★★★	Convertible debentures redeemable at a premium: debt and equity components, entry at inception	D23 Q4(a) · 7 m · asked in 4 papers	
★★★	Convertible debentures with partial conversion: value of the equity (embedded) part and the initial entry	J23 Q5(b) · MQP Q4(a) · POSTAL Q3(a) · 6 m · asked in 4 papers	

MCQs asked on this topic

Priority	Question	Asked / marks	Answer in
★★★	1. Choose the correct option from the four alternatives given. 2x15=30 (i) When objective of holding financial assets does not include collection of cash flows by selling financial assets, such financial assets are measured at [2] (A) fair value through other comprehensive income (OCI) (B) amortized cost (C) fair value through profit and loss (P&L) (D) None of the above	J23 Q1(vii) · J25 Q1(i) · POSTAL Q1(iii)(vii) · 2 m · asked in 4 papers	
★★★	(vi) Financial assets are ____ (A) cash (B) an equity instrument of another entity (C) a contractual right (D) All of the above	D24 Q1(vi) · 2 m · asked in 4 papers	
★★★	(vii) An ____ is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. (A) Equity Instrument (B) Puttable Instrument (C) Financial Instrument (D) None of the above	D24 Q1(vii) · 2 m · asked in 4 papers	

Priority	Question	Asked / marks	Answer in
★★★	(iv) When objective of holding financial assets does not include collection of cash flows by selling of financial assets, such financial assets are measured at- (A) Fair value through other comprehensive income (OCI) (B) Amortized cost (C) Fair value through profit and loss (P&L) (D) None of the above	D23 Q1(iv) · 2 m · asked in 4 papers	
★★★	(viii) Ind AS 109: Financial Instruments classifies the financial assets and financial liabilities into the following categories for recognition and measurement (A) Measured at fair value through OCI (B) Measured at amortized cost (C) Measured at fair value through P & L (D) All of the above	J23 Q1(viii) · 2 m · asked in 4 papers	
★	(v) PADMA Ltd. has purchased equity shares of TAPTI Ltd. at a cost of ₹ 12,00,000, which also happens to be its fair value. It has classified this financial instrument as fair value through profit or loss. Also, for purchase of the shares, PADMA Ltd. has incurred directly attributable acquisition cost of ₹ 50,000. Calculate the amount to be recognized at initial recognition of the equity shares as per Ind AS 109. (A) ₹ 12,50,000 (B) ₹ 11,50,000 (C) ₹ 12,00,000 (D) Either (A) or (B)	J26 Q1(v) · 2 m	

Problems to solve (20): SM illustrations, SM exercise sums, ICMAI workbook

Priority	Problem (what it asks)	Where	Came in the exam
★★	Practical problem: G Ltd. issued 6% Debenture of total ₹ 10,00,000 on 01.04.2017 repayable on 31	SM M3 Illus. 1 · SM p.150	
★★	X ltd	SM M3 Illus. 2 · SM p.151	
★★	Preference shares redeemable in ordinary shares: liability or equity	Workbook ch.3 illustration 1 · WB p.39	
★★	Loan note at amortised cost: effective-interest schedule over five years and first-year entries	Workbook ch.3 illustration 2 · WB p.40	
★★	Financial liability held for trading: fair value at year end when rates rise	Workbook ch.3 illustration 3 · WB p.41	
★★	Bonds designated at fair value: own-credit change to OCI, rest to profit	Workbook ch.3 illustration 4 · WB p.42	
★★	Convertible bond: split into liability and equity at issue and accounting over its life	Workbook ch.3 illustration 5 · WB p.42	
★★	Convertible loan: accounting on conversion versus redemption at maturity	Workbook ch.3 illustration 6 · WB p.44	
★★	Bond investment measured at amortised cost, FVOCI and FVTPL	Workbook ch.3 illustration 7 · WB p.45	
★★	Expected credit loss on trade receivables with a provision matrix	Workbook ch.3 illustration 8 · WB p.47	
★★	Twelve-month expected credit loss on a bond at amortised cost	Workbook ch.3 illustration 9 · WB p.48	
★★	Credit-impaired loan: new carrying amount and impairment loss	Workbook ch.3 illustration 10 · WB p.49	
★★	Convertible bonds: initial split and journal entries over the term	Workbook ch.3 illustration 11 · WB p.50	
★★	Convertible bonds with issue costs: split and effective-interest accounting	Workbook ch.3 illustration 12 · WB p.52	

Priority	Problem (what it asks)	Where	Came in the exam
★★	Equity investment at FVOCI exchanged for another company's shares in a takeover	Workbook ch.3 illustration 13 · WB p.55	
★★	Low-interest loan: fair value at initial recognition and the lender's accounting	Workbook ch.3 illustration 14 · WB p.56	
★★	Staff housing loan below market rate: fair value, interest income and employee benefit	Workbook ch.3 illustration 15 · WB p.57	
★★	Parent's free financial guarantee for a subsidiary's bank loan: entries	Workbook ch.3 illustration 16 · WB p.59	
★	Practical problem: G Ltd. issued 8% Debenture of total ₹ 20,00,000 on 01.04.2020 repayable on...	SM M3 exercise sum 1 · SM p.158	
★	Practical problem: X Ltd. Granted a loan to Y Ltd. amounting to ₹ 60 lakhs repayable in 2 years at...	SM M3 exercise sum 2 · SM p.158	

★ **SM exercise (if time):** M3 MCQ (not in the bank) 4 (p.156): Ind As 109 deals with Accounting of Financial Instruments · M3 short essay 1 (p.158): Financial Asset as per Ind AS 32 · M3 short essay 2 (p.158): Puttable Instrument · M3 short essay 3 (p.158): Classify the financial assets and financial liabilities into three categories for recognition... · M3 short essay 4 (p.158): Categories whose carrying amount shall be disclosed either in the balance sheet or in the... · M3 short essay 5 (p.158): Equity Instrument

MCQ bank for this topic (ICMAI MCQ bank question numbers): Q31, Q32, Q33, Q41, Q42, Q43, Q44, Q45, Q46, Q47, Q113, Q124

4.0 NBFCs – Provisioning Norms, Accounting and Reporting

SM pp. 160–186 · marks per attempt: **J25-2 · D24-7 · J24-2** · Dec'26 forecast: tier **B**, chance of any marks **35% (Possible)**, of a 7-mark question 23% (Unlikely), expected **1.4** marks (MCQ facts + one sum / answer type)

OUR DEC'26 CALLS FOR THIS TOPIC

1. NBFC: provision required on standard, sub-standard, doubtful (secured part by age, unsecured part) and loss assets.
   [REPEAT+PRACTICE · D24 Q4(a) (= PTP Q4(a)); J25 Q1(xiii) MCQ]

Long questions and sums asked (past papers and ICMAI practice papers)

Priority	Question	Asked / marks	Answer in
★★★	NBFC provisioning on standard, sub-standard, doubtful and loss assets	D24 Q4(a) · J25 Q1(xiii) · PTP Q4(a) · 7 m · asked in 2 papers	same problem: SM M4 exercise sum 1 (SM p.189; solution there) · same problem: SM M4 Illus. 3 (SM p.181; solution there)
★	NBFC income recognition guidelines	POSTAL Q2(b) · 8 m	

MCQs asked on this topic

Priority	Question	Asked / marks	Answer in
★	(vi) Lease Rental and Hire-Purchase Assets will be treated as Non-Performing Assets (NPA) in case of NBFCs for the financial year ended 31st March, 2024 if ___ (A) overdue for 3 months as on 31st March, 2024 (B) overdue for 6 months as on 31st March, 2024 (C) overdue for 9 months as on 31st March, 2024 (D) overdue for 4 months as on 31st March, 2024	J24 Q1(vi) · 2 m	

Problems to solve (9): SM illustrations, SM exercise sums, ICMAI workbook

Priority	Problem (what it asks)	Where	Came in the exam
★★★	Practical problem: While closing its books of accounts on 31st March, a NBFC has its advances...	SM M4 Illus. 3 · SM p.181	D24 Q4(a)
★★★	Practical problem: While closing its books of accounts on 31stMarch, a NBFC has its advances...	SM M4 exercise sum 1 · SM p.189	D24 Q4(a)

Priority	Problem (what it asks)	Where	Came in the exam
★★	Practical problem: While closing its books of accounts on 31stMarch, a NBFC has its advances…	SM M4 Illus. 1 · SM p.179	
★★	Practical problem: While closing its books of account on March 31 of a financial year, a…	SM M4 Illus. 2 · SM p.180	
★★	Practical problem: Samvedan Ltd. is a non-banking finance company	SM M4 Illus. 4 · SM p.182	
★★	NBFC loan-loss provisions by asset class for different categories of NBFC	Workbook ch.4 illustration 1 · WB p.61	
★★	Hire-purchase NBFC: provision required by period overdue	Workbook ch.4 illustration 2 · WB p.62	
★★	NBFC profit and loss account with provisions on advances	Workbook ch.4 illustration 3 · WB p.63	
★	Practical problem: Lake Ltd. is a non-banking finance company	SM M4 exercise sum 2 · SM p.190	

★ **SM exercise (if time):** M4 MCQ (not in the bank) 2 (p.187): As per Sec · M4 MCQ (not in the bank) 4 (p.187): As per Prudential Regulations for NBFCs-ND, the NBFCs-ND with asset size of less than ₹ 500… · M4 short essay 1 (p.189): A Non-Banking Financial Company as per RBI Act, 1934 · M4 short essay 2 (p.189): Classification of Non- Banking Financial Companies (NBFCs) · M4 short essay 4 (p.189): Classify the Regulatory Approaches for NBFCs · M4 short essay 5 (p.189): Mandatory Requirements of Minimum Net Owned Fund by NBFC · M4 short essay 6 (p.189): Following: ~ Essay type questions · M4 essay 1 (p.189): How an NBFC will classify its Loans and Advances and create provisions for each class of assets · M4 essay 2 (p.189): Interest and dividend income are recognized in accounting of NBFCs

MCQ bank for this topic (ICMAI MCQ bank question numbers): Q34, Q35, Q36, Q37

5.1 5.1 Introduction

SM pp. 195–195 · **never asked in the seven papers** · Dec'26 forecast: tier **C**, chance of any marks **0% (Rare)**, of a 7-mark question 0% (Rare), expected **0** marks (Read the headings)

MCQs asked on this topic

Priority	Question	Asked / marks	Answer in
★	Conglomerate merger: companies in unrelated markets	POSTAL Q1(i) · 2 m	

5.2 Accounting of Business Combination (Ind AS 103) [at basic level]

SM pp. 196–205 · marks per attempt: **J26-4 · D25-18 · J25-2 · D24-4 · J24-2 · D23-4 · J23-2** · Dec'26 forecast: tier **A**, chance of any marks **90% (Very likely)**, of a 7-mark question 45% (Possible), expected **5.3** marks (14-mark sum (one of the four Q5 types) + MCQ facts)

OUR DEC'26 CALLS FOR THIS TOPIC

1. Acquisition of 100% by share issue with contingent consideration: consideration, net assets at fair value, goodwill or bargain purchase, entries. [REPEAT · D25 Q5; MCQs on contingent consideration D23, J24, J26]

Long questions and sums asked (past papers and ICMAI practice papers)

Priority	Question	Asked / marks	Answer in
★★★	100% acquisition by share issue with contingent consideration: consideration, net assets at fair value, goodwill, entries	D25 Q5 · 14 m	

MCQs asked on this topic

Priority	Question	Asked / marks	Answer in
★★★	(vii) D Ltd. has acquired 100% of the equity of N Ltd. on March 31, 2025. The purchase consideration comprises of an immediate payment of ₹ 40 lakhs and three further payments of ₹ 4 lakh each if the return on equity exceeds 16% in each of the subsequent three financial years. On the acquisition date, the aggregate value of N's identifiable assets is ₹ 44,00,000. Calculate purchase consideration and Goodwill/ gain on bargain purchase. Assume discount rate @ 10%. [PVIF @ 10% for Year 1, 2, 3 are 0.909, 0.826 and 0.751] (A) Purchase consideration ₹ 40,00,000 and gain on bargain purchase ₹ 4,00,000 (B) Purchase consideration ₹ 52,00,000 and goodwill ₹ 8,00,000 (C) Purchase consideration ₹ 49,94,400 and goodwill ₹ 9,94,400 (D) Purchase consideration ₹ 49,94,400 and goodwill ₹ 5,94,400	D23 Q1(xiii) · J24 Q1(vii) · J26 Q1(vii) · MQP Q1(vii) · 2 m · asked in 4 papers	
★★★	(viii) As per Ind AS 103, while accounting and reporting for business combination, gain on bargain purchase is calculated as (A) Net assets – Consideration + Non-controlling Interest (B) Net assets + Consideration - Non-controlling Interest (C) Net assets - Consideration - Non-controlling Interest (D) Net assets + Consideration + Non-controlling Interest	J26 Q1(viii) · 2 m · asked in 3 papers	
★★★	(vii) Mahesh Ltd. acquired 80% of Suresh Ltd. by paying cash consideration of ₹ 500 lakhs. The fair value of non-controlling interest on the date of acquisition is ₹ 125 lakhs. The fair value of subsidiary's identifiable net assets on the date of acquisition is ₹ 650 lakhs. NCI is measured at proportionate fair value of identifiable net assets method. The value of Gain on bargain purchase/Goodwill is: (A) Goodwill of ₹ 25 lakhs (B) Gain on bargain purchase of ₹ 25 lakhs (C) Gain on bargain purchase of ₹ 20 lakhs (D) Goodwill of ₹ 20 lakhs	D25 Q1(vii) · 2 m · asked in 6 papers	
★★★	(viii) On October 1, 2024 URANUS Ltd. acquired 80% of JUPITER Ltd.'s equity shares by means of a share exchange of two shares in URANUS for every three acquired shares in JUPITER. In addition, URANUS would make deferred cash payment of 88 paise per acquired share on 1 October 2025. Cost of capital is 10%. URANUS has 5,00,00,000 shares outstanding and JUPITER has 90,00,000 shares outstanding. The market value of URANUS's shares at 1st October 2024 was ₹ 6. The amount of purchase consideration for 80% stake is: (A) ₹ 5,40,00,000 (B) ₹ 4,12,80,000 (C) ₹ 3,30,24,000 (D) ₹ 3,45,60,000	D25 Q1(viii) · 2 m · asked in 4 papers	
★★★	(vi) C Ltd. acquires 60% of N Ltd. for ₹97,50,000. The fair value of its identifiable net assets is ₹1,50,00,000. The fair value of 40% of the equity shares owned by the non-controlling shareholders is ₹65,00,000. Carrying amount of N Ltd.'s net assets is ₹1,20,00,000. Calculate the value of goodwill when NCI is measured as proportionate share of identifiable net asset. [2] (A) ₹ 12,50,000 (B) ₹ 30,00,000 (C) ₹ 7,50,000 (D) ₹ 32,50,000	J25 Q1(vi) · 2 m · asked in 6 papers	
★★★	(v) At what value is non-controlling interest recorded in the books of the Acquirer at the time of a business combination transaction under Ind AS 103? (A) It is recognized at fair value only. (B) It is recognized at proportionate fair value of identified net assets only. (C) It is recognized either at fair value or at proportionate fair value of identified net assets. (D) It is not recognized at all.	D24 Q1(v) · 2 m · asked in 3 papers	
★★★	(xiii) On 1st January 2024, A Ltd. acquires 80 per cent of the equity interests of B Ltd. in exchange of cash of ₹ 600 lakhs. The identifiable assets are measured at ₹ 925 lakhs and the liabilities assumed are measured at ₹ 150 lakhs. The fair value of the 20 per cent non-controlling interest in B Ltd. is ₹ 90 lakhs. The gain on bargain purchase will be ____ (A) ₹ 90 lakhs (B) ₹ 85 lakhs (C) ₹ 105 lakhs (D) ₹ 75 lakhs	D24 Q1(xiii) · 2 m · asked in 6 papers	
★★★	(xiv) Q Ltd. acquired a 60% interest in R Ltd. on January 1, 2022. Q Ltd. paid ₹ 1,800 Lakhs in cash for their interest in R Ltd. The fair value of R Ltd.'s assets is ₹ 4,000 Lakhs, and the fair value of its liabilities is ₹ 2,000 Lakhs. If NCI is valued at fair value, goodwill amounts to: (A) ₹ 600 lakhs. (B) ₹ 500 lakhs (C) ₹ 1000 lakhs (D) ₹ 700 lakhs	D23 Q1(xiv) · PTP Q1(vi)(viii)(xi) · POSTAL Q1(ii)(v) · POSTAL Q3(b)(i)(ii) · 2 m · asked in 6 papers	

Priority	Question	Asked / marks	Answer in
★★★	(iii) Which of the following is false? (A) As per Ind AS 103, Business combinations under common control shall be accounted for using the Pooling of Interest Method and other Business combinations shall be accounted for using the Acquisition Method. (B) As per Ind AS 103, while accounting and reporting for a business combination, Goodwill= Consideration + Non controlling Interest - Net assets (C) Non-controlling interest is recognised either at fair value or at a proportionate fair value of identified net assets in the books of the Acquiree at the time of a business combination under Ind AS 103 and is shown as an item under Equity in the Balance Sheet. (D) None of the above	J23 Q1(iii) · PTP Q1(ix) · 2 m · asked in 3 papers	

Problems to solve (2): SM illustrations, SM exercise sums, ICMAI workbook

Priority	Problem (what it asks)	Where	Came in the exam
★★	Practical problem: (Take over) A Ltd. takes over B Ltd. for ₹ 12,60,000	SM M5 Illus. 1 · SM p.197	
★	Practical problem: Pass journal entries along with necessary workings in the books of A Ltd. (both...	SM M5 exercise sum 1 · SM p.266	

★ **SM exercise (if time):** M5 illustration (list 2) 1 (p.198): Practical problem: (100% subsidiary) A Ltd. acquires 100% shares of B Ltd. for ₹ 12,60,000 · M5 illustration (list 2) 2 (p.200): Practical problem: (Take over) On March 31, 2021, P Ltd acquired Q Ltd. by issue of 3,00,000... · M5 illustration (list 2) 2 (p.202): Practical problem: (100% Subsidiary) On March 31, 2021, P Ltd acquired 100% shares of Q Ltd. P... · M5 illustration (list 2) 4 (p.204): Practical problem: Z Ltd. acquired a 60% interest in P Ltd. on January 1, 2021 · M5 illustration (list 2) 5 (p.205): Practical problem: On 1 January 2021 M Ltd. acquires 80 per cent of the equity interests of P Ltd.... · M5 MCQ (not in the bank) 11 (p.258): As per Ind AS 103, accounting and reporting for business combination is done under · M5 MCQ (not in the bank) 13 (p.259): As per Ind AS 103, while accounting and reporting for business combination goodwill is... · M5 MCQ (not in the bank) 3 (p.260): Practical problem: A Ltd. acquires 80% of B Ltd. for ₹ 10,00,000 paid by equity at par · M5 MCQ (not in the bank) 6 (p.261): Practical problem: Q Ltd. acquired a 75% interest in R Ltd. on January 1, 2021

MCQ bank for this topic (ICMAI MCQ bank question numbers): Q48, Q50, Q51, Q52, Q54, Q59, Q60, Q61, Q63, Q64, Q65, Q67

5.3 Absorptions, Amalgamations, External Reconstruction

SM pp. 206–208 · marks per attempt: **J25-2 · D23-14 · J23-10** · Dec'26 forecast: tier **A**, chance of any marks **60% (Likely)**, of a 7-mark question 49% (Possible), expected **3.2** marks (14-mark sum (one of the four Q5 types))

OUR DEC'26 CALLS FOR THIS TOPIC

1. Absorption / amalgamation into a new company on intrinsic values: purchase consideration, shares, inter-company items, goodwill or capital reserve, balance sheet. [REPEAT · D23 Q5, J23 Q3(a); J25 Q1(xi) MCQ]

Long questions and sums asked (past papers and ICMAI practice papers)

Priority	Question	Asked / marks	Answer in
★★★	Absorption on intrinsic value with cross-holding and inter-company items: consideration, shares, goodwill, balance sheet	D23 Q5 · 14 m	
★★★	Two companies amalgamated into a new company: preference and debenture discharge, investment allowance reserve, balance sheet	J23 Q3(a) · 10 m · asked in 2 papers	

MCQs asked on this topic

Priority	Question	Asked / marks	Answer in
★★★	(xi) Mahi Ltd. and Pooja Ltd. amalgamated from 1st January, 2025. A new Company Majoo Ltd. with shares of ₹10 each was formed to take over the businesses of the existing companies. Net Assets taken over of Mahi Ltd. and Pooja Ltd. are ₹90.5 Lakhs and ₹97.0 Lakhs respectively. Total purchase consideration payable is ₹130 Lakhs. How many shares in Majoo Ltd. will be issued to Mahi Ltd.? [2] (A) 6,27,467 Shares (B) 6,72,533 Shares (C) 9,70,000 Shares (D) 6,50,000 Shares	J25 Q1(xi) · 2 m · asked in 2 papers	
★	Purchase consideration = shares issued x market price	MQP Q1(viii) · 2 m	

Problems to solve (3): SM illustrations, SM exercise sums, ICMAI workbook

Priority	Problem (what it asks)	Where	Came in the exam
★★	Two companies amalgamate into a new company (purchase method): post-amalgamation balance sheet	Workbook ch.5 illustration 7 · WB p.82	
★	Practical problem: On March 31, 201X, A Ltd and B Ltd. were amalgamated into C Ltd., control of...	SM M5 exercise sum 2 · SM p.267	
★	Practical problem: On March 31, 201X, A Ltd with equity share capital of ₹ 7,00,000 was externally...	SM M5 exercise sum 3 · SM p.267	

★ **SM exercise (if time):** M5 illustration (list 2) 6 (p.206): Practical problem: On March 31, 201X, A Ltd absorbed B Ltd. A Ltd. issued 60,000 equity shares... · M5 illustration (list 2) 7 (p.207): Practical problem: On March 31, 201X, A Ltd and B Ltd. were amalgamated into C Ltd., control of... · M5 illustration (list 2) 8 (p.207): Practical problem: On March 31, 201X, A Ltd externally reconstructed into B Ltd. B Ltd. issued... · M5 MCQ (not in the bank) 5 (p.257): As per Ind AS 103, while accounting and reporting for business combination goodwill is... · M5 essay 1 (p.260): In detail how accounting will be made complying the requirements of Indian Accounting...

MCQ bank for this topic (ICMAI MCQ bank question numbers): Q49, Q53, Q107, Q109, Q120, Q129

5.4 Detailed Discussion on Business Combination

SM pp. 209–211 · marks per attempt: **J23-10** · Dec'26 forecast: tier **B**, chance of any marks **37% (Possible)**, of a 7-mark question 29% (Unlikely), expected **1.6** marks (MCQ facts + one sum / answer type)

Long questions and sums asked (past papers and ICMAI practice papers)

Priority	Question	Asked / marks	Answer in
★	Three cases in P's books: 75% acquisition (NCI proportionate), 30% to 75% (NCI at fair value), S acquiring P - journal entries	J23 Q6(a) · 10 m	

Problems to solve (3): SM illustrations, SM exercise sums, ICMAI workbook

Priority	Problem (what it asks)	Where	Came in the exam
★★	Acquisition of 65%: consideration incl. shares and contingent amount, goodwill with NCI at fair value	Workbook ch.5 illustration 1 · WB p.66	
★★	Business combination: deferred tax on fair-value adjustments and goodwill	Workbook ch.5 illustration 2 · WB p.67	
★★	Acquisition of 75% by share swap with deferred payment and a contingent liability: goodwill	Workbook ch.5 illustration 3 · WB p.70	

5.5 A Business Combination Achieved In Stages

SM pp. 212–213 · marks per attempt: **J26-4 · J25-14 · D24-4 · J24-14 · D23-4** · Dec'26 forecast: tier **A**, chance of any marks **79% (Likely)**, of a 7-mark question 76% (Likely), expected **5** marks (14-mark sum (a Q5 type) + 4-mark Q8(c) sum)

OUR DEC'26 CALLS FOR THIS TOPIC

1. Acquisition in stages: an associate (or a FVOCI holding) becomes a subsidiary - remeasure the old interest, gain to P&L / OCI, goodwill, NCI at fair value; entries and balance sheet. [REPEAT+PRACTICE · J24 Q5, J25 Q5 (= MQP Q5 = PTP Q5); Q8(c) in D23, D24, J26]
2. Associate / FVOCI holding becomes a subsidiary: gain on remeasuring the old interest, goodwill or bargain purchase. [REPEAT+PRACTICE · D23, D24 (= PTP Q8(c)), J26 Q8(c); MQP Q8(c)]

Long questions and sums asked (past papers and ICMAI practice papers)

Priority	Question	Asked / marks	Answer in
★★★	20% to 80%: gain on remeasuring the old interest, goodwill	J26 Q8(c) · 4 m · asked in 5 papers	
★★★	30% then 25% more (control): unrecognised brand, fair values, NCI at fair value; entries and balance sheet (TISTA)	J25 Q5 · 14 m · asked in 5 papers	
★★★	35% held at FVOCI, then 40% more: amount to P&L and goodwill on gaining control	D24 Q8(c) · 4 m · asked in 5 papers	

Priority	Question	Asked / marks	Answer in
★★★	Associate (30%) to 100%: acquisition date, gain on the old interest, OCI recycling, goodwill, entry	J24 Q5 · 14 m · asked in 5 papers	
★★★	Associate (30%) to 100%: remeasure the old interest, goodwill	D23 Q8(c) · MQP Q5 · MQP Q8(c) · PTP Q5 · PTP Q8(c) · POSTAL Q5(b)(i) · 4 m · asked in 5 papers	

★ **SM exercise (if time):** M5 illustration (list 2) 9 (p.212): Practical problem: Entity A acquired 35 % of Entity B on 01-04-2019 for ₹ 35,000

5.6 Reverse Acquisition

SM pp. 214–214 · marks per attempt: **J26-14 · D24-14** · Dec'26 forecast: tier **A**, chance of any marks **58% (Possible)**, of a 7-mark question 49% (Possible), expected **3.1** marks (14-mark sum (a Q5 type) - learn Dec'24 Q5 = Jun'26 Q5)

OUR DEC'26 CALLS FOR THIS TOPIC

1. Two companies form a new company whose control passes to the second company's management (reverse acquisition): balance sheet after merger. [REPEAT · D24 Q5 = J26 Q5 word for word, same numbers - learn this exact sum]

Long questions and sums asked (past papers and ICMAI practice papers)

Priority	Question	Asked / marks	Answer in
★★★	Two companies merged into a new company whose control passes to the second company's management (reverse acquisition): balance sheet	D24 Q5 · J26 Q5 · POSTAL Q4(a) · 14 m · asked in 2 papers	
★	Three cases in P's books: 75% acquisition (NCI proportionate), 30% to 75% (NCI at fair value), S acquiring P - journal entries (listed under 5.4 too)	J23 Q6(a) · 10 m	

★ **SM exercise (if time):** M5 short essay 1 (p.259): Concept of Reverse Acquisition

5.7 Purchase of shares from/sale to Non-controlling Interest not resulting in loss of control of the acquirer

SM pp. 215–216 · marks per attempt: **D25-4 · J25-2** · Dec'26 forecast: tier **B**, chance of any marks **53% (Possible)**, of a 7-mark question 40% (Possible), expected **1.9** marks (MCQ facts + one sum / answer type)

OUR DEC'26 CALLS FOR THIS TOPIC

1. Sale of part of a holding keeping control: entries in the group books (difference to other equity). [REPEAT · D25 Q8(c) = J25 Q1(xv) figures]

MCQs asked on this topic

Priority	Question	Asked / marks	Answer in
★★★	8. (c) On 01.04.2024, A Ltd. acquired 90% shares of D Ltd. for ₹ 10,80,000 when the fair value of D Ltd.'s net assets was ₹ 10,00,000. During the period from 01.04.2024 to 31.03.2025, D Ltd. made total comprehensive income (TCI) of ₹ 2,00,000. On 31.03.2025, A Ltd. sold 15% holding to outsiders for ₹ 2,20,000 but retained control. Pass the necessary journal entries (narration not required) in the consolidated financial statements (group books) for the sale of partial holding retaining control. [4]	J25 Q1(xv) · D25 Q8(c) · 2 m · asked in 2 papers	same problem: SM M6 Illus. 11 (SM p.311; solution there)

Problems to solve (1): SM illustrations, SM exercise sums, ICMAI workbook

Priority	Problem (what it asks)	Where	Came in the exam
★★	Sale of 10% of a 90% subsidiary without loss of control: equity adjustment	Workbook ch.5 illustration 9 · WB p.87	

★ **SM exercise (if time):** M5 illustration (list 2) 10 (p.215): Practical problem: On 01.04.2020 Gold Ltd. acquired 75% share of Coal Ltd. at ₹10,80,000, when the...

MCQ bank for this topic (ICMAI MCQ bank question numbers): Q55, Q56

5.8 Sale of Holding Resulting in Loss of Control of the Acquirer over the Acquiree

SM pp. 217–224 · marks per attempt: **D25-2** · Dec'26 forecast: tier **B**, chance of any marks **41% (Possible)**, of a 7-mark question 16% (Unlikely), expected **1** marks (Short sum or answer (one of a rotating set))

MCQs asked on this topic

Priority	Question	Asked / marks	Answer in
★	(xii) When a parent company loses control of a subsidiary, what is the accounting treatment for any investment retained in the former subsidiary? (A) It is derecognized from the consolidated balance sheet. (B) It is recognized at its fair value when control is lost. (C) It is measured at cost plus the parent's share of post-acquisition profits. (D) It is accounted for as a gain on bargain purchase.	D25 Q1(xii) · 2 m	

Problems to solve (2): SM illustrations, SM exercise sums, ICMAI workbook

Priority	Problem (what it asks)	Where	Came in the exam
★★	Disposal of a whole 80% subsidiary: gain in the group accounts	Workbook ch.5 illustration 4 · WB p.75	
★★	Sale of part of a holding with loss of control: gain and remaining interest at fair value	Workbook ch.5 illustration 8 · WB p.86	

★ **SM exercise (if time):** M5 illustration (list 2) 11 (p.218): Practical problem: D Ltd. has acquired 100% of the equity of F Ltd. on March 31, 2021 · M5 illustration (list 2) 12 (p.218): Practical problem: C Ltd. acquires 60% share in D Ltd. for cash payment of ₹2,00,000 · M5 illustration (list 2) 13 (p.218): Practical problem: Z Ltd. acquired C Ltd. on April 1, 2021 · M5 illustration (list 2) 14 (p.219): [A comprehensive problem: In this problem you will find P Ltd. acquired shares in S Ltd.... · M5 MCQ (not in the bank) 8 (p.258): If a parent loses control of a subsidiary, it shall derecognise date when control is lost... · M5 short essay 8 (p.260): During sale of holding resulting in loss of control of the acquirer over the acquiree, if a... · M5 MCQ (not in the bank) 8 (p.261): Practical problem: P Ltd. acquires 3/4th equity shares of Q Ltd. at consideration of ₹ 24,00,000... · M5 MCQ (not in the bank) 9 (p.263): Practical problem: X Ltd. acquires 20% shares of B Ltd. on 01.04.2021

MCQ bank for this topic (ICMAI MCQ bank question numbers): Q57

5.9 Business Combination under Common Control (Appendix C of Ind AS 103)

SM pp. 225–225 · marks per attempt: **D25-2** · Dec'26 forecast: tier **C**, chance of any marks **41% (Possible)**, of a 7-mark question 16% (Unlikely), expected **1.3** marks (MCQ facts / formulas only)

MCQs asked on this topic

Priority	Question	Asked / marks	Answer in
★	(ix) Business combinations involving entities or businesses under common control shall be accounted for using the ____ method. (A) Purchase of Assets (B) Pooling of Interest (C) Amalgamation (D) Assets Acquisition	D25 Q1(ix) · MQP Q1(ix) · 2 m	

Problems to solve (1): SM illustrations, SM exercise sums, ICMAI workbook

Priority	Problem (what it asks)	Where	Came in the exam
★★	Transfer of a loss-making division to another company for shares (common control): entries and balance sheets	Workbook ch.5 illustration 5 · WB p.76	

★ **SM exercise (if time):** M5 MCQ (not in the bank) 9 (p.258): In business combination, control of business can be obtained by otherwise it is not a business... · M5 MCQ (not in the bank) 12 (p.258): As per Ind AS 103 Appendix C, accounting and reporting for business combination under common... · M5 short essay 2 (p.259): Business combination under common control as per Appendix C of Ind AS 103 · M5 essay 2 (p.260): In detail how accounting will be made complying the requirements of Indian Accounting...

MCQ bank for this topic (ICMAI MCQ bank question numbers): Q62

5.10 Disclosure

SM pp. 226–240 · **never asked in the seven papers** · Dec'26 forecast: tier **C**, chance of any marks **0% (Rare)**, of a 7-mark question 0% (Rare), expected **0** marks (Read the headings)

Problems to solve (2): SM illustrations, SM exercise sums, ICMAI workbook

Priority	Problem (what it asks)	Where	Came in the exam
★	Practical problem: P Ltd. acquired 80% shares of Q Ltd. at a consideration of ₹ 640 Lakhs and Q...	SM M5 exercise sum 4 · SM p.267	
★	Practical problem: H Ltd. acquires 100% equity shares of S Ltd on 31.03.2021	SM M5 exercise sum 5 · SM p.267	

★ **SM exercise (if time):** M5 illustration (list 2) 15 (p.226): Practical problem: (Reverse Acquisition) Suppose, Entity A acquires 80% shares of Entity B and... · M5 illustration (list 2) 16 (p.227): Practical problem: Reverse Acquisition takes place as H Ltd. acquires 100% equity shares of S Ltd... · M5 illustration (list 2) 17 (p.229): Practical problem: (Amalgamation · M5 illustration (list 2) 18 (p.231): Practical problem: (Demerger : Business Combination under Common Control) Z Ltd has two divisions... · M5 illustration (list 2) 19 (p.234): Practical problem: (Amalgamation · M5 illustration (list 2) 20 (p.238): Practical problem: Pass journal entries for business combination in the books of P Ltd. from the... · M5 short essay 5 (p.259): Disclosures an acquirer should disclose that enables users to evaluate the nature and...

5.11 Difference between Ind AS 103 and AS 14

SM pp. 241–242 · marks per attempt: **J23-6** · Dec'26 forecast: tier **C**, chance of any marks **11% (Rare)**, of a 7-mark question 0% (Rare), expected **0.2** marks (Read the headings)

Long questions and sums asked (past papers and ICMAI practice papers)

Priority	Question	Asked / marks	Answer in
★	Preference shareholders of the two companies are issued the equivalent number of 15% preference shares of Star Ltd. at a price of ₹150 per share (face value ₹100).	J23 Q3(b) · 6 m	

★ **SM exercise (if time):** M5 MCQ (not in the bank) 6 (p.257): Transactions sometimes referred to as ____ or ____ are also business combinations as... · M5 short essay 3 (p.259): Differences between Ind AS 103 and AS 14 · M5 short essay 6 (p.259): Contingent consideration · M5 short essay 9 (p.260): When is an asset identifiable

MCQ bank for this topic (ICMAI MCQ bank question numbers): Q66

5.12 Internal Reconstruction (Capital Reduction)

SM pp. 243–256 · marks per attempt: **J26-9 · D25-7 · J25-7 · D24-7 · J24-7 · D23-7 · J23-6** · Dec'26 forecast: tier **A**, chance of any marks **87% (Very likely)**, of a 7-mark question 82% (Very likely), expected **7.6** marks (7-mark sum / answer + MCQ facts)

OUR DEC'26 CALLS FOR THIS TOPIC

1. Internal reconstruction: journal entries (and the revised balance sheet) - shares reduced and consolidated, debenture holders take an asset or new shares, creditors / directors waive, losses and fictitious assets written off through capital reduction.
   [REPEAT+PRACTICE · Every paper: D23, J24 (= MQP Q4(b)), D24 (= PTP Q4(b)), J25, D25, J26 Q4(b); J23 Q2(b)]

Long questions and sums asked (past papers and ICMAI practice papers)

Priority	Question	Asked / marks	Answer in
★★★	Internal reconstruction journal entries (Unlucky Ltd.)	J26 Q4(b) · 7 m · asked in 7 papers	
★★★	Internal reconstruction entries (BEAS: secured debenture holders take plant, creditors take stock)	D25 Q4(b) · 7 m · asked in 7 papers	
★★★	Reconstruction account: shares to Rs 5 partly paid, preference arrears paid in shares, debenture holders cancel part of their debt	J23 Q2(b) · J25 Q4(b) · MQP Q4(b) · PTP Q4(b) · 6 m · asked in 7 papers	
★★★	Internal reconstruction entries and revised balance sheet (NR Ltd.)	D24 Q4(b) · 7 m · asked in 7 papers	
★★★	Internal reconstruction entries (MEGHNA: shares written down and consolidated, debenture holders take property, directors waive loan)	J24 Q4(b) · 7 m · asked in 7 papers	

Priority	Question	Asked / marks	Answer in
★★★	Internal reconstruction entries: shares reduced, debentures exchanged, a creditor takes shares, assets written down	D23 Q4(b) · 7 m · asked in 7 papers	

MCQs asked on this topic

Priority	Question	Asked / marks	Answer in
★★★	(ix) A company undertakes internal reconstruction and revalued its assets as follows: Land & building (book value ₹ 15,00,000) to ₹ 20,00,000 Machinery (book value ₹ 10,00,000) to ₹ 9,00,000 The net amount to be credited to the Capital Reduction Account from these revaluation entries will be (A) ₹ 0 (B) ₹ 4,00,000 (C) ₹ 5,00,000 (D) ₹ 6,00,000	J26 Q1(ix) · 2 m · asked in 7 papers	

★ **SM exercise (if time):** M5 illustration (list 2) 21 (p.244): Practical problem: The following is the Balance Sheet as at 31st March, 2017 of Hopefull Ltd.... · M5 short essay 4 (p.259): Internal Reconstruction

6.1 Introduction to Consolidation

SM pp. 273–273 · **never asked in the seven papers** · Dec'26 forecast: tier **C**, chance of any marks **16% (Unlikely)**, of a 7-mark question 0% (Rare), expected **0.3** marks (Read the headings)

MCQs asked on this topic

Priority	Question	Asked / marks	Answer in
★	Ind AS 27 requires separate statements (= Jun'25 Q1(iii))	PTP Q1(xii) · 2 m	

Problems to solve (1): SM illustrations, SM exercise sums, ICMAI workbook

Priority	Problem (what it asks)	Where	Came in the exam
★	When does a parent not require to present consolidated financial statements	SM M6 exercise sum 5 · SM p.341	

★ **SM exercise (if time):** M6 short essay 2 (p.338): Objectives of Ind AS 112: Disclosure of Interests in Other Entities · M6 short essay 4 (p.338): Conditions when a parent company need not present consolidated financial statements · M6 essay 3 (p.338): When a parent does not need to prepare consolidated financial statements

MCQ bank for this topic (ICMAI MCQ bank question numbers): Q71

6.2 Concept of Significant Influence, Joint Control and Control as per Ind AS

SM pp. 274–278 · marks per attempt: **J26-2 · J25-4 · D24-2 · J24-2 · D23-2** · Dec'26 forecast: tier **B**, chance of any marks **48% (Possible)**, of a 7-mark question 0% (Rare), expected **1.1** marks (MCQ facts / formulas only)

MCQs asked on this topic

Priority	Question	Asked / marks	Answer in
★★★	(xii) A/An ____ is an entity over which the investor has significant influence. (A) Associate (B) Joint Venture (C) Partnership (D) All of the above	J26 Q1(xii) · 2 m · asked in 4 papers	
★★★	(ix) Consolidated Financial Statements are required to be prepared by an Ind AS complied company having [2] (A) sole control over the investee company (B) significant influence over the investee company (C) joint control over the investee company (D) All of the above	D23 Q1(i) · J25 Q1(ix) · 2 m · asked in 4 papers	
★★★	(iii) [2] requires that when consolidated financial statements are prepared the investor company shall also prepare individual/standalone financial statements, which are named as separate financial statements. (A) Ind AS 112 (B) Ind AS 110 (C) Ind AS 28 (D) Ind AS 27	J25 Q1(iii) · 2 m · asked in 4 papers	
★★★	(ii) Consolidated financial statements are required to be prepared by an Ind AS complied company if it holds shares in the investee company ____ (A) entailing 20% or more voting rights having significant influence over the investee company (called Associate as per Ind AS 28) (B) entailing joint control over the investee company (called a Joint Venture as per Ind AS 28) (C) entailing control over investee company (called subsidiary company as per Ind AS 110) (D) All of the above	D24 Q1(ii) · 2 m · asked in 4 papers	

Priority	Question	Asked / marks	Answer in
★	(xv) Mohan Ltd. held 50% of the voting power of Sohan Ltd. which is a joint venture of Mohan Ltd. The carrying value of the investment in Sohan Ltd. is ₹ 1,50,000. Now, out of the 50% stake, Mohan Ltd. sells 20% stake in Sohan Ltd. to a third party for a consideration of ₹ 1,20,000. The fair value of the retained 30% interest is ₹ 1,80,000. The gain or loss recorded by Mohan Ltd. in its profit or loss is: (A) Gain of ₹ 1,50,000 (B) Loss of ₹ 1,50,000 (C) Gain of ₹ 90,000 (D) None of the above	J24 Q1(xv) · 2 m	

★ **SM exercise (if time):** M6 MCQ (not in the bank) 3 (p.336): An investment entity is an entity that investment management services appreciation, investment… · M6 essay 2 (p.338): Objective of the Indian Accounting Standard 110 and what are the requirements of the Standard… · M6 essay 4 (p.338): An investment entity · M6 essay 5 (p.339): What accounting is required when a parent loses control of a subsidiary

MCQ bank for this topic (ICMAI MCQ bank question numbers): Q68, Q69, Q70, Q135

6.3 Consolidation Procedure for Investment in Associates, Joint Ventures and Subsidiaries

SM pp. 279–279 · marks per attempt: **J26-4 · D25-2 · J25-4 · D24-2 · J24-2 · D23-2 · J23-6** · Dec'26 forecast: tier **B**, chance of any marks **77% (Likely)**, of a 7-mark question 23% (Unlikely), expected **2.6** marks (MCQ facts + one sum / answer type)

Long questions and sums asked (past papers and ICMAI practice papers)

Priority	Question	Asked / marks	Answer in
★★★	Associate (35%) with a fair-value uplift on PPE: carrying amount after profit, dividend, OCI loss	J25 Q8(c) · 4 m · asked in 7 papers	
★★★	25% associate bought by issuing shares: entries at acquisition and at year end (profit + OCI)	J23 Q4(b) · MQP Q1(x) · POSTAL Q5(b)(ii) · 6 m · asked in 7 papers	

MCQs asked on this topic

Priority	Question	Asked / marks	Answer in
★★★	(x) P Ltd. acquired 75% of S Ltd. for ₹ 18 lakhs when the fair value of the identifiable net assets of S Ltd. was ₹ 20 lakhs. Non-controlling interest is measured at proportionate share of net assets. The amount of non-controlling interest at acquisition is (A) ₹ 2 lakhs (B) ₹ 3 lakhs (C) ₹ 5 lakhs (D) ₹ 15 lakhs	J26 Q1(x) · MQP Q1(xi) · 2 m · asked in 6 papers	
★★★	(xi) G Ltd. acquired 30% interest in H Ltd. for ₹ 3,00,000 and accounts for it using the equity method. During the year, H Ltd. earned profit of ₹ 2,00,000 and declared dividend of ₹ 50,000. Carrying amount of the investment at year-end will be (A) ₹ 3,60,000 (B) ₹ 3,45,000 (C) ₹ 3,15,000 (D) ₹ 2,85,000	J26 Q1(xi) · 2 m · asked in 7 papers	
★★★	(x) Company P Ltd. acquires 20% of the voting power of Company Q Ltd. for ₹ 46,000. During the financial year, Q Ltd. makes a profit of ₹ 20,000 and has other comprehensive income of ₹ 10,000. Under the equity method, what is the value of the investment account in the consolidated accounts of P Ltd. at the end of the year? (A) ₹ 46,000 (B) ₹ 52,000 (C) ₹ 40,000 (D) ₹ 30,000	D25 Q1(x) · 2 m · asked in 7 papers	similar problem: SM M6 Illus. 1 (SM p.284; solution there)
★★★	(xiv) As per Ind AS-28, an entity with joint control of, or significant influence over, an investee shall account for its investment in an associate or a joint venture using the ___ (A) Acquisition method (B) Purchase method (C) Equity method (D) Pooling of Interest method	D24 Q1(xiv) · 2 m · asked in 7 papers	
★★★	(xiii) On 1st April, 2023, Rita Ltd. invested in the equity shares of Sita Ltd. at a cost of ₹ 2,00,000 to acquire 25% share in the voting power of Sita Ltd. Rita Ltd. concluded that Sita Ltd. is now an associate of Rita Ltd. On 31st March, 2024, Sita Ltd. earned the net profit of ₹ 20,000 and other comprehensive income of ₹ 4,000. In the year 2023-24, Sita Ltd. also declared dividend of ₹ 8,000. The carrying amount of investment in Sita Ltd. as at 31st March, 2024 as per the relevant Ind AS is: (A) ₹ 2,00,000 (B) ₹ 2,05,000 (C) ₹ 2,06,000 (D) ₹ 2,04,000	J24 Q1(xiii) · 2 m · asked in 7 papers	

Priority	Question	Asked / marks	Answer in
★★★	(xii) On April 1, 2022 GANGA Ltd. purchased a 30% interest in SAGAR Ltd. for ₹ 2,50,000. On that date SAGAR's shareholders' equity was ₹ 5,00,000. The carrying value of SAGAR's identifiable net assets was equal to book value. GANGA correctly reports this significant influence investment using equity method. Both companies have a March 31 year end. For the year ended 31.03.2023, SAGAR Ltd. reported net income of ₹ 1,50,00, and paid total dividends of ₹ 40,000. Calculate the amount that GANGA Ltd. would report as its investment in SAGAR Ltd. on March 31, 2023. (A) ₹ 3,60,000 (B) ₹ 2,95,000 (C) ₹ 2,83,000 (D) ₹ 2,50,000	D23 Q1(xii) · 2 m · asked in 7 papers	

★ **SM exercise (if time):** M6 short essay 3 (p.338): Consolidation procedure for investment in Associates, Joint Ventures and Subsidiaries · M6 essay 1 (p.338): When is an investor is assessed as a parent · M6 essay 6 (p.339): Procedure of accounting for consolidation in case of investment in Associate, Joint Venture…

MCQ bank for this topic (ICMAI MCQ bank question numbers): Q58, Q75, Q77, Q78

6.4 Measurement of Fair value of Net Assets, Non-controlling Interest, Goodwill/ Gain on Bargain Purchase, Consolidated Other Equity (including Measurement of Investments under Equity Method)

SM pp. 280–281 · marks per attempt: **J24-4** · Dec'26 forecast: tier **B**, chance of any marks **52% (Possible)**, of a 7-mark question 23% (Unlikely), expected **1.4** marks (MCQ facts + one sum / answer type)

Long questions and sums asked (past papers and ICMAI practice papers)

Priority	Question	Asked / marks	Answer in
★★★	NCI at fair value and goodwill on acquisition; goodwill impairment shared between parent and NCI	J24 Q8(c) · 4 m · asked in 6 papers	

Problems to solve (3): SM illustrations, SM exercise sums, ICMAI workbook

Priority	Problem (what it asks)	Where	Came in the exam
★★	Acquisition-date fair values (land, brand, prior goodwill), NCI and goodwill	Workbook ch.6 illustration 1 · WB p.88	
★★	Purchase consideration with deferred, share and contingent parts; goodwill	Workbook ch.6 illustration 2 · WB p.89	
★★	Associate bought mid-year: equity-method extracts with fair-value depreciation and impairment	Workbook ch.6 illustration 7 · WB p.101	

6.5 Accounting and Reporting in Consolidated Financial Statements and in Separate Financial Statements at Acquisition Date- Introductory Examples

SM pp. 282–291 · **never asked in the seven papers** · Dec'26 forecast: tier **C**, chance of any marks **16% (Unlikely)**, of a 7-mark question 16% (Unlikely), expected **0.7** marks (Read the headings)

Problems to solve (2): SM illustrations, SM exercise sums, ICMAI workbook

Priority	Problem (what it asks)	Where	Came in the exam
★★★	Practical problem: Company P Ltd. (a listed company) acquires 20% shares (entitling 20% voting…	SM M6 Illus. 1 · SM p.284	D25 Q1(x) (similar)
★	Practical problem: P Ltd. acquires 80% shares of S Ltd. by issue of 48000 shares of ₹ 10 (Mkt…	SM M6 exercise sum 1 · SM p.339	

★ **SM exercise (if time):** M6 short essay 6 (p.338):

6.6 Consolidated Financial Statements and Separate Financial Statements at Subsequent Reporting Date- Introductory Examples

SM pp. 292–312 · marks per attempt: **J26-14 · D25-14 · J25-14 · J24-14 · D23-14** · Dec'26 forecast: tier **A**, chance of any marks **93% (Very likely)**, of a 7-mark question 92% (Very likely), expected **10.8** marks (14-mark consolidated balance sheet + MCQ facts)

OUR DEC'26 CALLS FOR THIS TOPIC

1. Consolidated balance sheet one year after an 80% acquisition: fair-value uplift on PPE and inventory, NCI at fair value, goodwill impairment, unrealised profit, inter-company balances / cash in transit, debentures held, pre-acquisition dividend.
   [REPEAT+PRACTICE · D23, J24, D25, J26 Q6 (one template, figures doubled or halved), J25 Q6; MQP Q6]

Long questions and sums asked (past papers and ICMAI practice papers)

Priority	Question	Asked / marks	Answer in
★★★	Consolidated balance sheet one year after an 80% acquisition: pre-acquisition dividend, unrealised profit [old 6.3]	D23 Q6 · J24 Q6 · D25 Q6 · J26 Q6 · MQP Q6 · POSTAL Q6(a) · 14 m · asked in 5 papers	
★★★	Consolidated balance sheet one year after 80% (by share issue): fair-value uplifts, impairment, goods in transit, dividends	J25 Q6 · 14 m · asked in 5 papers	same problem: Workbook ch.2 illustration 4 (WB p.30; solution there)

Problems to solve (14): SM illustrations, SM exercise sums, ICMAI workbook

Priority	Problem (what it asks)	Where	Came in the exam
★★★	Practical problem: D Co. Ltd acquired 60% shares of G Co. Ltd. on 1st October 2020	SM M6 Illus. 5 · SM p.299	J23 Q2(a)(i) · J24 Q2(b) · J23 Q2(a)(ii)
★★★	Practical problem: Company Sky Ltd. (a listed company) acquires 60% shares in company Cloud Ltd....	SM M6 Illus. 8 · SM p.305	J23 Q2(a)(i) · J24 Q2(b) · J23 Q2(a)(ii)
★★★	Practical problem: On 01.04.2020 BB Ltd. acquired 90% share of CM Ltd. at ₹10,80,000, when the...	SM M6 Illus. 11 · SM p.311	J25 Q1(xv)
★★	Practical problem: Company P Ltd. (a listed company) acquires 60% shares in company Q Ltd. on...	SM M6 Illus. 3 · SM p.294	
★★	Practical problem: Company P Ltd. (P) acquires 80% shares of company S Ltd. (S) on 1.10.2020 by...	SM M6 Illus. 4 · SM p.297	
★★	Practical problem: Company P Ltd. (a listed company) invests in shares of company Q Ltd. on...	SM M6 Illus. 6 · SM p.301	
★★	Practical problem: The financial data of the companies P and S at 31.03.2020 and at 31.03.2021 are...	SM M6 Illus. 7 · SM p.303	
★★	Practical problem: X Ltd. acquires 80% of equity of Y Ltd. on 31.03.20x5 at cost of ₹110 Lakhs,...	SM M6 Illus. 9 · SM p.308	
★★	Practical problem: P acquires 60% shares in Q on 01.10	SM M6 Illus. 10 · SM p.310	
★★	Consolidated profit or loss with a subsidiary, an associate, impairment and deferred revenue	Workbook ch.6 illustration 6 · WB p.98	
★★	Consolidated profit or loss with full goodwill and an impairment test	Workbook ch.6 illustration 9 · WB p.104	
★	Practical problem: Pass journal entries and state about the requirements with reference to the...	SM M6 exercise sum 2 · SM p.340	
★	Practical problem: Company P Ltd. acquires 80% shares of company S Ltd. on 1.04.2019 by issue of...	SM M6 exercise sum 3 · SM p.340	
★	Practical problem: P Ltd. acquires 75% of equity of A Ltd. on 31.03.2019 at cost of ₹120 Lakhs,...	SM M6 exercise sum 4 · SM p.341	

★ **SM exercise (if time):** M5 short essay 7 (p.259): Chain Holding

6.7 Consolidated and Separate Financial Statements of Group Entities-Advanced Level Discussion and Examples (Including Inter-Company Investments, Chain Holding, Cross Holding and Other Relevant Matters)

SM pp. 313–319 · marks per attempt: **D24-14** · Dec'26 forecast: tier **B**, chance of any marks **55% (Possible)**, of a 7-mark question 49% (Possible), expected **3** marks (One chain-holding consolidation (Dec'24 Q6, PTP Q6))

OUR DEC'26 CALLS FOR THIS TOPIC

1. Chain holding (P 80% of Q, Q 75% of R) acquired mid-year: goodwill, NCI, unrealised profit, inter-company bills; consolidated balance sheet. [REPEAT+PRACTICE · D24 Q6, PTP Q6]

Long questions and sums asked (past papers and ICMAI practice papers)

Priority	Question	Asked / marks	Answer in
★	Chain holding (P 80% of Q, Q 75% of R) bought mid-year: goodwill and NCI at fair value	D24 Q6(a) · PTP Q6 · 7 m	
★	Chain holding: consolidated balance sheet with unrealised profit and inter-company bills [old 6.6]	D24 Q6(b) · 7 m	

Problems to solve (6): SM illustrations, SM exercise sums, ICMAI workbook

Priority	Problem (what it asks)	Where	Came in the exam
★★	Practical problem: Prepare Consolidated Balance Sheet (CBS) of a group of P Ltd., Q Ltd. and R...	SM M6 Illus. 12 · SM p.313	
★★	Practical problem: D Co. Ltd acquired 60% shares of G Co. Ltd. on 1st October 2020	SM M6 Illus. 13 · SM p.316	
★★	Group with a subsidiary and an associate: goodwill, investment in associate, non-current assets	Workbook ch.6 illustration 4 · WB p.92	
★★	Consolidated balance sheet of three companies with unrealised profit, intragroup balances and a provision	Workbook ch.6 illustration 5 · WB p.94	
★★	Chain holding of three companies: consolidated balance sheet	Workbook ch.6 illustration 10 · WB p.107	
★	Practical problem: G Ltd. acquired 60% shares of S Ltd. on 1st October 2021	SM M6 exercise sum 6 · SM p.341	

★ **SM exercise (if time):** M6 short essay 5 (p.338): Under Consolidated Balance Sheet, define the treatment of Dividend

6.8 Accounting and Reporting of Joint Operation

SM pp. 320–321 · marks per attempt: **D25-2 · J23-3** · Dec'26 forecast: tier **C**, chance of any marks **26% (Unlikely)**, of a 7-mark question 0% (Rare), expected **0.5** marks (MCQ facts / formulas only)

Long questions and sums asked (past papers and ICMAI practice papers)

Priority	Question	Asked / marks	Answer in
★★	Write short notes on the following: [3+3=6] (i) Ind AS 111: Joint Arrangements (ii) Ind AS 112: Disclosure of Interests in Other Entities	J23 Q6(b)(i) · 3 m · asked in 2 papers	

MCQs asked on this topic

Priority	Question	Asked / marks	Answer in
★★	(xi) Anant Ltd. is one of the parties to a joint operation holding 60% interest in the joint operation and the balance 40% interest is held by another joint operator. Anant Ltd. has contributed an asset held by it to the joint operation for the activities to be conducted in the joint operation. The carrying value of the asset was ₹ 30 lakhs and the asset was actually sold for ₹ 24 lakhs i.e., at a loss of ₹ 6 lakhs. The amount of loss on sale to be accounted for by Anant Ltd. is: (A) ₹ 6 lakhs; (B) ₹ 2.40 lakhs; (C) ₹ 3.60 lakhs; (D) None of the above	D25 Q1(xi) · 2 m · asked in 2 papers	

Problems to solve (1): SM illustrations, SM exercise sums, ICMAI workbook

Priority	Problem (what it asks)	Where	Came in the exam
★★	Assume that two parties structure a joint arrangement in an incorporated entity	SM M6 Illus. 14 · SM p.320	

★ **SM exercise (if time):** M6 short essay 1 (p.338): Different types of Joint Arrangement

MCQ bank for this topic (ICMAI MCQ bank question numbers): Q73, Q74, Q76

6.9 Disclosures

SM pp. 322–335 · marks per attempt: **J24-2 · J23-3** · Dec'26 forecast: tier **C**, chance of any marks **21% (Unlikely)**, of a 7-mark question 0% (Rare), expected **0.4** marks (Read the headings)

Long questions and sums asked (past papers and ICMAI practice papers)

Priority	Question	Asked / marks	Answer in
★★	Write short notes on the following: [3+3=6] (i) Ind AS 111: Joint Arrangements (ii) Ind AS 112: Disclosure of Interests in Other Entities	J23 Q6(b)(ii) · MQP Q1(xii) · PTP Q1(iv) · 3 m · asked in 2 papers	

MCQs asked on this topic

Priority	Question	Asked / marks	Answer in
★★	(c) The proportion of ownership interests held by non-controlling interests. (d) Accumulated non-controlling interest at the end of the reporting period. Choose correct option: (A) All the items are to be disclosed. (B) Items (a), (b) and (c) are to be disclosed.	J24 Q1(i) · 2 m · asked in 2 papers	

★ **SM exercise (if time):** M6 short essay 7 (p.338): Under Ind AS 112: Disclosure of Interests in Other Entities, state few examples of significant... · M6 short essay 8 (p.338): Details to be disclosed by the entity for each of its subsidiaries that have non-controlling...

MCQ bank for this topic (ICMAI MCQ bank question numbers): Q72

7.1 4P Bottom Line Reporting

SM pp. 348–351 · marks per attempt: **J26-2 · D23-2** · Dec'26 forecast: tier **C**, chance of any marks **28% (Unlikely)**, of a 7-mark question 8% (Rare), expected **0.8** marks (MCQ facts / formulas only)

MCQs asked on this topic

Priority	Question	Asked / marks	Answer in
★★	(xiii) The key challenges for implementation of quadruple bottom line (QBL) reporting do not include (A) understanding stakeholder requirements. (B) determining and measuring performance indicators. (C) aligning QBL reporting with maximization of profit. (D) awareness of relevant issues associated with QBL reporting.	J26 Q1(xiii) · 2 m · asked in 2 papers	
★★	(ii) 4P Bottom Line Reporting concept requires an organization to report on: (A) Social, Environmental, Sustainability and Spiritual dimension (B) Social, Environmental, Economic and Political dimension (C) Social, Environmental, Economic and Spiritual dimension (D) None of the above	D23 Q1(ii) · PTP Q1(xiii) · 2 m · asked in 2 papers	

★ **SM exercise (if time):** M7 essay 1 (p.392): Concept of Quadruple Bottom Line Reporting as an extension of Triple Bottom Line Reporting

MCQ bank for this topic (ICMAI MCQ bank question numbers): Q79, Q82, Q83, Q101

7.2 Sustainability Reporting and Global Reporting Initiative

SM pp. 352–353 · marks per attempt: **D25-2 · D24-7** · Dec'26 forecast: tier **B**, chance of any marks **44% (Possible)**, of a 7-mark question 29% (Unlikely), expected **1.8** marks (One 7-mark answer + MCQ facts)

OUR DEC'26 CALLS FOR THIS TOPIC

1. How sustainability reporting helps; internal and external benefits. [REPEAT+PRACTICE · D24 Q7(b) (= MQP Q7(b)); D25 Q1(xv) MCQ]

Long questions and sums asked (past papers and ICMAI practice papers)

Priority	Question	Asked / marks	Answer in
★★★	How does the corporate sustainability reporting help companies? What are the internal and external benefits of sustainability reporting? [7]	D24 Q7(b) · MQP Q7(b) · POSTAL Q1(ix) · 7 m · asked in 2 papers	

MCQs asked on this topic

Priority	Question	Asked / marks	Answer in
★★★	(xv) External benefits of sustainability reporting can include: (A) Enhanced link between financial and non-financial performance (B) Improving reputation and brand loyalty (C) Enhanced perception on organisation's value (D) Both (B) and (C)	D25 Q1(xv) · 2 m · asked in 2 papers	

★ **SM exercise (if time):** M7 short essay 1 (p.391): Benefits of Sustainability Reporting · M7 short essay 6 (p.391): Three pillars of sustainability reporting and briefly state the role of GRI in this context · M7 essay 2 (p.392): How through Sustainability Reporting an organisation identifies its impact on the economy,...

MCQ bank for this topic (ICMAI MCQ bank question numbers): Q81, Q84, Q89, Q108, Q110, Q111

7.3 Business Responsibility and Sustainability Report

SM pp. 354–358 · **never asked in the seven papers** · Dec'26 forecast: tier **C**, chance of any marks **13% (Rare)**, of a 7-mark question 8% (Rare), expected **0.5** marks (Read the headings)

★ **SM exercise (if time):** M7 short essay 7 (p.391): Present an abridged format of sustainability reporting and the principles to be complied as...

7.4 Integrated Reporting

SM pp. 359–364 · marks per attempt: **D25-7 · J24-2 · D23-7** · Dec'26 forecast: tier **B**, chance of any marks **45% (Possible)**, of a 7-mark question 35% (Unlikely), expected **2** marks (One 7-mark answer (objectives, six capitals) + MCQ facts)

OUR DEC'26 CALLS FOR THIS TOPIC

1. What is integrated reporting? Its objectives; the six capitals of the IIRC framework. [REPEAT+PRACTICE · D23 Q7(b), D25 Q7(b) - both December; PTP Q7(b)]

Long questions and sums asked (past papers and ICMAI practice papers)

Priority	Question	Asked / marks	Answer in
★★★	Briefly explain the various categories of capital as mentioned in the Integrated Reporting Framework issued by the IIRC. [7]	D25 Q7(b) · 7 m · asked in 3 papers	
★★★	What is Integrated Reporting? Briefly discuss the objectives of integrated reporting. [7]	D23 Q7(b) · MQP Q1(xiii) · PTP Q1(xiv) · PTP Q7(b) · 7 m · asked in 3 papers	

MCQs asked on this topic

Priority	Question	Asked / marks	Answer in
★★★	(D) Items (a), (c) and (d) are to be disclosed. (ii) With respect to Integrated Reporting which of the following is not true? (A) An integrated report is necessarily to be a stand-alone report. (B) The framework of integrated reporting is written primarily for private companies. (C) A report prepared as required by local law containing a management commentary or other report that provides context for its financial statements can serve the purpose of integrated reporting.	J24 Q1(ii) · 2 m · asked in 3 papers	

★ **SM exercise (if time):** M7 MCQ (not in the bank) 3 (p.390): International Integrated Reporting Council (IIRC) launched IR as a global framework in... · M7 short essay 8 (p.391): Integrated reporting highlight value creation · M7 essay 3 (p.392): How Integrated Reporting provides a holistic report of value creation by considering human,...

MCQ bank for this topic (ICMAI MCQ bank question numbers): Q137

7.5 Corporate Social Responsibility Reporting in India

SM pp. 365–368 · marks per attempt: **J24-7** · Dec'26 forecast: tier **B**, chance of any marks **47% (Possible)**, of a 7-mark question 29% (Unlikely), expected **1.9** marks (One 7-mark answer + the Dec'26 ZCZP change)

OUR DEC'26 CALLS FOR THIS TOPIC

1. CSR reporting under Rule 8 of the CSR Policy Rules; CSR through zero coupon zero principal instruments on the Social Stock Exchange (Rule 4A: at most 10% of the CSR spend, no impact assessment). [NEW-LAW · J24 Q7(b); Dec'26 supplementary (GSR 415(E) / 416(E), 27.05.2026)]

Long questions and sums asked (past papers and ICMAI practice papers)

Priority	Question	Asked / marks	Answer in
★★★	Briefly mention the Corporate Social Responsibility reporting requirement as per Rule 8 of the Companies (CSR Policy) Rules, 2014. [7]	J24 Q7(b) · POSTAL Q1(iv) · 7 m	

★ **SM exercise (if time):** M7 essay 4 (p.392): What a company is legally required to comply in regard CSR · M7 essay 10 (p.392): CSR

7.6 Environmental, Social and Governance (ESG)

SM pp. 369–372 · **never asked in the seven papers** · Dec'26 forecast: tier **B**, chance of any marks **21% (Unlikely)**, of a 7-mark question 16% (Unlikely), expected **0.8** marks (Short sum or answer (one of a rotating set))

Long questions and sums asked (past papers and ICMAI practice papers)

Priority	Question	Asked / marks	Answer in
★	Importance of ESG reporting	POSTAL Q6(b) · 4 m	

★ **SM exercise (if time):** M7 essay 5 (p.392): ESG criteria of corporate reporting · M7 essay 11 (p.392): What criteria are tested in ESG

7.7 7.7 Human Resource Reporting

SM pp. 373–374 · marks per attempt: **D25-2 · D24-2** · Dec'26 forecast: tier **C**, chance of any marks **28% (Unlikely)**, of a 7-mark question 8% (Rare), expected **0.8** marks (MCQ facts / formulas only)

MCQs asked on this topic

Priority	Question	Asked / marks	Answer in
★★	(xiii) ____ report is an analytical tool for displaying human resources-related facts, insights, and metrics to improve workforce performance, recruiting procedures, and other important HR operations. (A) Environmental, Social and Governance (B) Corporate Social Responsibility (C) Human Resources (D) Integrated	D24 Q1(viii) · D25 Q1(xiii) · 2 m · asked in 2 papers	

★ **SM exercise (if time):** M7 short essay 2 (p.391): Human Resource Reporting · M7 short essay 3 (p.391): Types of HR reports · M7 essay 6 (p.392): Different types of Human Resource Reporting · M7 essay 12 (p.392): On different types of human resource reporting

MCQ bank for this topic (ICMAI MCQ bank question numbers): Q88

7.8 Value Added Statement

SM pp. 375–378 · marks per attempt: **J26-2 · J25-2 · D24-7 · D23-7** · Dec'26 forecast: tier **A**, chance of any marks **66% (Likely)**, of a 7-mark question 53% (Possible), expected **3.6** marks (7-mark sum / answer + MCQ facts)

OUR DEC'26 CALLS FOR THIS TOPIC

1. Prepare a value added statement and show its application to employees, government, providers of capital and retention. [REPEAT+PRACTICE · D23 Q7(a), D24 Q7(a) (= PTP Q7(a)) - both December; MCQs J25 Q1(xii), J26 Q1(xiv)]

Long questions and sums asked (past papers and ICMAI practice papers)

Priority	Question	Asked / marks	Answer in
★★★	Value added statement from a trial-balance style list	D23 Q7(a) · J25 Q1(xii) · PTP Q7(a) · 7 m · asked in 4 papers	similar problem: SM M7 Illus. 1 (SM p.377; solution there)

Priority	Question	Asked / marks	Answer in
★★★	Value added statement (Maahi Ltd.)	D24 Q7(a) · 7 m · asked in 4 papers	similar problem: SM M7 Illus. 1 (SM p.377; solution there)

MCQs asked on this topic

Priority	Question	Asked / marks	Answer in
★★★	(xiv) ____ is the accounting surplus generated by the business and distributable not only to the owners or the shareholders but also to other stakeholders i.e., the lenders, the employees and the government. (A) Value Added (B) Economic Value Added (C) Market Value Added (D) Human Value Added	J26 Q1(xiv) · 2 m · asked in 4 papers	

Problems to solve (1): SM illustrations, SM exercise sums, ICMAI workbook

Priority	Problem (what it asks)	Where	Came in the exam
★★★	The following are the balances in the account statements of X Ltd. for the year ended 31st...	SM M7 Illus. 1 · SM p.377	D23 Q7(a) (similar) · D24 Q7(a) (similar)

★ **SM exercise (if time):** M7 short essay 9 (p.391): Components of value added statement and discuss its significance

7.9 Economic Value Added and Market Value Added

SM pp. 379–379 · marks per attempt: **J26-7 · D25-7 · J25-7 · D24-2 · J24-7 · D23-2 · J23-10** · Dec'26 forecast: tier **A**, chance of any marks **69% (Likely)**, of a 7-mark question 61% (Likely), expected **4.3** marks (7-mark sum / answer + MCQ facts)

OUR DEC'26 CALLS FOR THIS TOPIC

1. EVA = NOPAT - WACC x capital employed (cost of equity by CAPM, capital structure from leverage / ratios); MVA.
   [REPEAT+PRACTICE · J24, J25, D25, J26 Q7(a), J23 Q7(a)(i); MQP Q7(a)]

Long questions and sums asked (past papers and ICMAI practice papers)

Priority	Question	Asked / marks	Answer in
★★★	EVA from capital structure, financial leverage and CAPM	J26 Q7(a) · 7 m · asked in 7 papers	
★★★	EVA with R&D capitalised and economic depreciation	D25 Q7(a) · 7 m · asked in 7 papers	
★★★	EVA and MVA, share price linked to EVA growth	J25 Q7(a) · 7 m · asked in 7 papers	
★★★	EVA from capital structure, financial leverage and CAPM	J24 Q7(a) · 7 m · asked in 7 papers	
★★★	EVA with the capital structure worked out from debt-equity and gearing ratios, average beta	J23 Q7(a)(i) · 8 m · asked in 7 papers	

MCQs asked on this topic

Priority	Question	Asked / marks	Answer in
★★★	(xv) Mogari Ltd. provides the following financial data for the year ended 31st March,2024: Net Operating Profit Before Interest and Tax: ₹ 17,50,000; Total Capital Employed: ₹ 80,00,000; Corporate Tax Rate: 30%; Weighted Average Cost of Capital (WACC): 12%. The Economic Value Added (EVA) for Mogari Ltd. will be ____ (A) ₹ 7,90,000 (B) ₹ 5,25,000 (C) ₹ 2,65,000 (D) ₹ 6,50,000	D24 Q1(xv) · 2 m · asked in 7 papers	
★★★	(v) Market value added (MVA) is. (A) the difference between the current book value of a company and capital contributed by investors (both the shareholders and debt holders). (B) the difference between the current total market value of a company and capital contributed by investors (both the shareholders and debt holders). (C) the difference between the current total market value of a company and capital contributed by investors (i.e., the shareholders). (D) None of the above	D23 Q1(v) · 2 m · asked in 7 papers	

Priority	Question	Asked / marks	Answer in
★★★	(ii) GILOY TULSI Ltd. has the following Capital Structure as at 31st March, 2023: ||||| Equity Share Capital (fully paid shares of ₹10 each) | ₹300 crores | | 15% Pref. Share Capital (fully paid shares of ₹100 each) | ₹100 crores | | 15% Debentures (fully paid of ₹100 each) | ₹800 crores | | Retained Earnings | ₹300 crores | Currently Quoted Prices in the stock exchange: Equity Shares @ ₹60, Preference Shares @ ₹90, Debentures @ ₹95. Calculate the Market Value Added. (A) ₹1350 crores (B) ₹1250 crores (C) ₹1150 crores (D) None of the	J23 Q1(ii) · MQP Q1(xiv) · MQP Q7(a) · POSTAL Q7(a)(i) · 2 m · asked in 7 papers	

★ **SM exercise (if time):** M7 short essay 4 (p.391): Concept of Economic Value Added and Market Value Added · M7 short essay 10 (p.391): Distinguish EVA from MVA and compute EVA and MVA with arbitrary figures · M7 essay 7 (p.392): Significance of Value-Added Statement, EVA and MVA

MCQ bank for this topic (ICMAI MCQ bank question numbers): Q87

7.10 Reporting through XBRL (eXtensible Business Reporting Language)

SM pp. 380–387 · marks per attempt: **J26-7 · J25-7 · J23-2** · Dec'26 forecast: tier **B**, chance of any marks **25% (Unlikely)**, of a 7-mark question 16% (Unlikely), expected **0.9** marks (One 7-mark answer (benefits, users))

OUR DEC'26 CALLS FOR THIS TOPIC

1. XBRL: benefits, users and how they benefit, myths. [REPEAT · J25 Q7(b), J26 Q7(b); postal Q7(a)(ii)]

Long questions and sums asked (past papers and ICMAI practice papers)

Priority	Question	Asked / marks	Answer in
★★★	Identify various users of XBRL and explain how they are benefitted from it. [7]	J26 Q7(b) · 7 m · asked in 3 papers	
★★★	Analyse the benefits of XBRL reporting. [7]	J25 Q7(b) · 7 m · asked in 3 papers	

MCQs asked on this topic

Priority	Question	Asked / marks	Answer in
★★★	(iv) Which of the following is not true? (A) XML stands for eXtensible Markup Language. (B) XBRL stands for eXtensible Business Reporting Language. (C) Economic Value Added (EVA) is a performance measure developed by Stern Stewart & Co to find the true economic profit generated by a company. (D) None of the above	J23 Q1(iv) · POSTAL Q7(a)(ii) · 2 m · asked in 3 papers	

★ **SM exercise (if time):** M7 MCQ (not in the bank) 4 (p.390): As per the Companies (Filing of Documents and Forms in Extensible Business Reporting Language)... · M7 short essay 11 (p.391): XBRL · M7 essay 8 (p.392): How XBRL provides a digital reporting format that transmits not only "Content" but also...

MCQ bank for this topic (ICMAI MCQ bank question numbers): Q80, Q85, Q86, Q122, Q123, Q125, Q132

7.11 Quarterly Earnings Call Management

SM pp. 388–389 · marks per attempt: **J24-2** · Dec'26 forecast: tier **C**, chance of any marks **6% (Rare)**, of a 7-mark question 0% (Rare), expected **0.1** marks (Read the headings)

MCQs asked on this topic

Priority	Question	Asked / marks	Answer in
★	(v) Which of the following is not a part of an earnings call? (A) Safe harbour statement. (B) Presentation and discussion of the financial results. (C) Question and answer session. (D) Examination of audit report.	J24 Q1(v) · 2 m	

★ **SM exercise (if time):** M7 short essay 5 (p.391): Quarterly Earnings Call Management · M7 short essay 12 (p.391): Earnings Conference Call · M7 essay 9 (p.392): What service is rendered by "Earnings Conference Call

MCQ bank for this topic (ICMAI MCQ bank question numbers): Q139

8.1 General Principles and Comparison with Commercial Accounting

SM pp. 397–400 · marks per attempt: **J26-5 · D24-9 · J24-2 · J23-4** · Dec'26 forecast: tier **A**, chance of any marks **71% (Likely)**, of a 7-mark question 53% (Possible), expected **3** marks (5-mark note + MCQ facts)

OUR DEC'26 CALLS FOR THIS TOPIC

1. Consolidated Fund, Contingency Fund and Public Account of India. [REPEAT · D24 Q8(b), J26 Q8(b), J23 Q7(b)(ii)]

Long questions and sums asked (past papers and ICMAI practice papers)

Priority	Question	Asked / marks	Answer in
★★★	8. (b) Briefly explain 'Consolidated Funds of India' and 'Contingency Funds of India'. [5]	J23 Q7(b)(ii) · D24 Q8(b) · J26 Q8(b) · 4 m · asked in 3 papers	

MCQs asked on this topic

Priority	Question	Asked / marks	Answer in
★★	(iii) Which of the following is not a feature of Government Accounting? (A) Non-fund-based Accounting (B) Double Entry System (C) Adherence to Government Regulations (D) Transacting through Banks	D24 Q1(iii) · 2 m · asked in 2 papers	
★★	(iv) Which of the following is not a general principle of Government Accounting? (A) Reporting of Utilization of Public Funds (B) Expenditures are classified under sectors, major heads, minor heads, sub-heads and detailed heads of Accounts (C) Budget-based (D) Single Entry System	D24 Q1(iv) · 2 m · asked in 2 papers	
★★	(iii) Which of the following is not an objective of Government Accounting? (A) To provide reliable data regarding the operation of the public funds. (B) To avoid excess expenditure beyond the budgetary approval. (C) To prevent misappropriation of government properties. (D) To facilitate tax collection by the concerned government department.	J24 Q1(iii) · MQP Q1(xv) · PTP Q1(xv) · POSTAL Q1(x) · POSTAL Q7(b) · 2 m · asked in 2 papers	

★ **SM exercise (if time):** M8 short essay 1 (p.434): Differences between commercial accounting and government accounting · M8 essay 1 (p.434): Features of Government Accounting · M8 essay 2 (p.434): Objectives of Government Accounting · M8 essay 3 (p.434): Highlight the general principals of Government Accounting

MCQ bank for this topic (ICMAI MCQ bank question numbers): Q90, Q93, Q131, Q134

8.2 Role of Comptroller and Auditor General of India

SM pp. 401–404 · marks per attempt: **J25-7** · Dec'26 forecast: tier **B**, chance of any marks **45% (Possible)**, of a 7-mark question 35% (Unlikely), expected **1.6** marks (One 5-mark note + MCQ facts)

OUR DEC'26 CALLS FOR THIS TOPIC

1. Role of the CAG; functions for grants or loans given to other bodies. [REPEAT+PRACTICE · J25 Q8(a) (= PTP Q8(a)); MQP Q8(a)]

Long questions and sums asked (past papers and ICMAI practice papers)

Priority	Question	Asked / marks	Answer in
★★★	Discuss the functions of CAG with regard to grants or loans given to other authorities or bodies. [5]	J25 Q8(a) · MQP Q8(a) · PTP Q8(a) · 5 m	

MCQs asked on this topic

Priority	Question	Asked / marks	Answer in
★★★	(ii) Chairman of the Public Accounts Committee and the C&AG are appointed by [2] (A) the Speaker of the Lok Sabha and the Prime Minister of India respectively (B) the Prime Minister of India and the Speaker of the Lok Sabha respectively (C) the Speaker of the Lok Sabha and the President of India respectively (D) the President of India and the Speaker of the Lok Sabha respectively	J25 Q1(ii) · 2 m · asked in 6 papers	

★ **SM exercise (if time):** M8 essay 4 (p.434): Role of Comptroller and Auditor General of India · M8 essay 5 (p.434): Comptroller and Auditor General to prepare and submit accounts to the President, Governors of...

8.3 Role of Public Accounts Committee, Review of Accounts

SM pp. 405–407 · marks per attempt: **J26-5 · D25-5 · J24-5 · D23-5 · J23-4** · Dec'26 forecast: tier **A**, chance of any marks **62% (Likely)**, of a 7-mark question 57% (Possible), expected **2.7** marks (5-mark note (comes back word for word))

OUR DEC'26 CALLS FOR THIS TOPIC

1. Role of the Public Accounts Committee (what it is, objectives, constitution: up to 22 members, 15 Lok Sabha + 7 Rajya Sabha, chairman appointed by the Speaker). [REPEAT · D23 = D25 = J26 Q8(a) word for word; J24 Q8(a), J23 Q7(b)(i)]

Long questions and sums asked (past papers and ICMAI practice papers)

Priority	Question	Asked / marks	Answer in
★★★	□8. (a) Briefly discuss the role of Public Accounts Committee. [5]	J23 Q7(b)(i) · J24 Q8(a) · D25 Q8(a) · J26 Q8(a) · 4 m · asked in 6 papers	
★★★	Briefly discuss the role of Public Accounts Committee. [5]	D23 Q8(a) · 5 m · asked in 6 papers	

★ **SM exercise (if time):** M8 short essay 2 (p.434): Roles of Public Accounts Committee (P.A.C)

MCQ bank for this topic (ICMAI MCQ bank question numbers): Q102, Q126

8.4 Government Accounting Standards issued by Government Accounting Standards Advisory Board (GASAB)

SM pp. 408–426 · marks per attempt: **J26-2 · D25-7 · J25-7 · J24-7 · D23-7 · J23-2** · Dec'26 forecast: tier **A**, chance of any marks **82% (Very likely)**, of a 7-mark question 61% (Likely), expected **4** marks (5-mark note + MCQ facts (the IGAS list))

OUR DEC'26 CALLS FOR THIS TOPIC

1. GASAB: how it was constituted, its structure and responsibilities; the IGAS notified (1 guarantees, 2 grants-in-aid, 3 loans and advances, ...). [REPEAT+PRACTICE · J24, J25, D25 Q8(b) (= PTP Q8(b)); MQP Q8(b) IGAS 1]

Long questions and sums asked (past papers and ICMAI practice papers)

Priority	Question	Asked / marks	Answer in
★★★	Briefly discuss the responsibilities of Government Accounting Standards Advisory Board (GASAB). Mention the Indian Government Accounting Standards (IGAS) notified by the Ministry of Finance, GOI. [5]	J25 Q8(b) · 5 m · asked in 6 papers	
★★★	Write a short note on Government Accounting Standards Advisory Board (GASAB) emphasizing on the structure of GASAB. [5]	J24 Q8(b) · 5 m · asked in 6 papers	
★★★	Write a short note on: IGFRS 4 - Inventory [5]	D23 Q8(b) · 5 m · asked in 6 papers	

MCQs asked on this topic

Priority	Question	Asked / marks	Answer in
★★★	(xv) GASAB stands for (A) Government Auditing Standards Advisory Board (B) Government Accounting Standards Applicability Board (C) Government Accounting Standards Advisory Board (D) General Accounting Standards Advisory Bureau	J23 Q1(vi) · D25 Q1(xiv) · D25 Q8(b) · J26 Q1(xv) · MQP Q8(b) · PTP Q8(b) · POSTAL Q1(vi) · 2 m · asked in 6 papers	
★★★	(vii) Indian Government Accounting Standard (IGAS) 2 deals with [2] (A) Loans and advances made by the Government (B) Guarantees given by Governments: Disclosure Requirements (C) Government Investment in Equity (D) Accounting and Classification of Grants-in-aid	J25 Q1(vii) · 2 m · asked in 6 papers	
★★★	(iv) Indian Government Accounting Standard (IGAS)-1 deals with ___ (A) Guarantees given by Governments: Disclosure Requirements (B) Accounting and Classification of Grants-in-Aid (C) Loans and Advances made by Government (D) Foreign Currency Transactions and Loans or Gain by Exchange Rate Variation	J24 Q1(iv) · 2 m · asked in 6 papers	
★★★	(iii) In India, Government Accounting Standards are issued by (A) Government Accounting Standards Advisory Board (B) Government Accounting Standards Applicability Board (C) Government Auditing Standards Advisory Board (D) Government Accounting for States Advisory Board	D23 Q1(iii) · 2 m · asked in 6 papers	

★ **SM exercise (if time):** M8 short essay 4 (p.434):

MCQ bank for this topic (ICMAI MCQ bank question numbers): Q92, Q95, Q97, Q99, Q103

8.5 Government Accounting and Reporting

SM pp. 427–430 · marks per attempt: **D24-5** · Dec'26 forecast: tier **B**, chance of any marks **35% (Unlikely)**, of a 7-mark question 35% (Unlikely), expected **1.2** marks (One 5-mark note)

OUR DEC'26 CALLS FOR THIS TOPIC

1. Role of the Controller General of Accounts. [REPEAT · D24 Q8(a)]

Long questions and sums asked (past papers and ICMAI practice papers)

Priority	Question	Asked / marks	Answer in
★★★	Write a note on the Role of the Controller General of Accounts. [5]	D24 Q8(a) · 5 m	

★ **SM exercise (if time):** M8 short essay 3 (p.434): Structure of GASAB · M8 short essay 5 (p.434): Accrual based Accounting Standards, i.e., Indian Government Financial Reporting Standards…

MCQ bank for this topic (ICMAI MCQ bank question numbers): Q91, Q94, Q96, Q98, Q138