

# Chapter Tests of FR of CA Ashish Lalaji 9825856155

## FR Test 9: Ind AS 41, CSR & IR

Maximum Marks: 30  
Time Allowed: 60 minutes

**Q 1** XY Ltd. is a newly formed farming entity. Following are the transactions during the year:

- (i) On 1 April 2021, XY Ltd. purchased a herd of 300 cows which were all three years old. These cows costed Rs.20,000 per cow. The cost to sell cow is estimated to be Rs.900 with auctioneer's fees of 3% on gross selling price.

Further, 200 cows were purchased on 30<sup>th</sup> June 2021 for Rs.15,000 per cow. Estimated cost to sell cow is Rs.600. There were no other costs incurred. These cows are of two years old.

On 30<sup>th</sup> September, 2021, 30 cows of three and a half years fell sick and died. Their fair value per cow is Rs.22,000 with Rs.1,000 being approximate cost to sell a cow.

On 31<sup>st</sup> March, 2021, fair value per cow is Rs.23,000 for 4 years old and Rs.,18,000 for two and a half years. Estimated cost to sell a cow is Rs.1,100 with 3% auctioneer's fees on gross selling price irrespective of the age of the cow.

- (ii) 200 goats are purchased at an auction for Rs.2,00,000 on 30 June 2021. There was a 2% selling fee on the market price of the goat.

On 30<sup>th</sup> September 2021, 60 goats were slaughtered. The total market value of the carcasses on that day was Rs.85,000. Expected transportation cost to sell the carcasses on that day was Rs.800. The total slaughter cost was Rs.3,000.

On 31<sup>st</sup> March, 2021, fair value of remaining goats is Rs.1,68,000 with 2% selling fees.

### Required:

- (a) Measurement of Biological Assets for balance sheet at on 31<sup>st</sup> March, 2022
- (b) Loss on death of cows
- (c) Fair value gain or loss for cows
- (d) Gain or loss for goats slaughtered
- (e) Fair value gain or loss for goats

**(12 Marks)**

**Q 2**

- (a) Mercury Ltd. is an entity engaged in plantation and farming on a large scale diversified across India. On 1st April, 2021, the company has received a government grant for Rs.10 lakhs subject to a condition that it will continue to engage in plantation of eucalyptus tree for a coming period of five years. Eucalyptus trees are not considered as bearer plant in this case.

The management has a reasonable assurance that the entity will comply with condition of engaging in the plantation of eucalyptus tree for specified period of five years and accordingly it recognises proportionate grant for Rs.2 lakhs in Statement of Profit and Loss as income following the principles laid down under Ind AS 20 Accounting for Government Grants and Disclosure of Government Assistance.

Analyse whether the above accounting treatment made by the management is in compliance of the Ind AS. If not, advise the correct treatment along with working for the same.

**(6 Marks)**

- (b) Following are the financials of ABC Ltd.:

(Rs. in crores)

Particulars	31.03.25 (Current Year: Projected)	31.03.24	31.03.23	31.03.22
Net Worth	200	197	194	190
Turnover	950	920	900	800
Net Profit	3.00	3.50	4.00	6.00

Company is of the view that it does not have to discharge any CSR obligations in the current year. Comment.

**(6 Marks)**

- (c) Write a short note on Integrated Reporting in India.

**(6 Marks)**

Question Paper set by **CA. Ashish Lalaji**

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