1) c] I, II and IV

2) a) disclaimer of opinion.

3) c) chairman's report

4) cost concept

35 a) → The realisation principle is the concept that revenue can only be recognised once the underlying goods or services associated with the revenue have been delivered or rendered, respectively. Thus, revenue can only be recognised after it has been earned.

→ Accrual means to recognize an event/transaction in the financial statements which involves transfer of value between two parties whether the business immidiately has recieved the cash or not for that particular event.

b) The earned premium of health insurance ~~companies~~ company can be calculated or determined using the realisation concept as this revenue can be recognised only when services have been delivered.

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6) Different ways through which accounts can be manipulated are :-

→ Increasing income with one time gains
→ shifting current expenses to earlier or later period.
→ Recording fictitious revenue
→ Improperly reducing liabilities.
→ shifting current revenue to a later period

8) i) Main roles of regulation in the financial statements are :-

→ To secure the appropriate degree of consumer protection.
→ Regulation helps us to keep a check on how an operator reports financial information
→ ~~Helps to~~ Helps to provide stability to the financial statements

ii) Regulatory bodies which regulate the Indian financial system :-

① ~~Security~~ Securities exchange Board of India (SEBI)
② Insurance Regulatory and development Authority of India.
③ Reserve bank of India.
④ Pension fund Regulatory & development authority.

iii) a) RBI b) PFRDA c) IRDAI d) SEBI E) SEBI
e) – f) SEBI g) FEDAI h) RBI .

Q9) i) Going concern concept
→ Under this concept, it is assumed that the business will continue ~~thdo~~ infinitely.
→ Refers to a company's ability to make enough money to stay afloat and avoid bankruptcy.

ii) COST CONCEPT :- An accounting principle that records assets at their respective cash amounts at the time the asset was purchased.

iii) This is not true because overstating company's strenghths will not help in the long run. Thus, the Prudence concept in accounting makes sure that assets and income are not overstated & provision is made for all known expences.

Q10) a) Investment Bank
ROLE : Primary role is to advice businesses and governments on how to meet their financial challenges.
SOURCE :- underwriting income, advisory fees, trading income, securitization.

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b) Pension scheme
Role → To provide annuity products to people after retirement for support.
Sources :- insurance premium.

c). Life Insurance company:-
Role :- acts as a cover incase of ~~fut~~ potential future accidents (death of policyholder).
Source :- premiums.
Application :- to provide lumpsum to the beneficiary incase of a mishap.

11] General insurance & LIFE Insurance companies both being a completely ~~nttto~~ different domain, it may be difficult to interpret the accounts of the company.
Challenges :-

→ Different income (different premium rates, different policies)
→ Cannot compare company A's growth to company B.
→ Non-Uniformity.

12) Preparation of insurance company's accounts is harder than that of normal company amounts, due to the following reasons:-

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(13) i) Advantages :-

→ greater comparability
→ More flexibility
→ Reduces variation b/w companies
→ oblige companies to disclose more information than required.

DISADVANTAGES

→ Accounting standards are not globally accepted
→ Companies can utilize only the methods they wish to, allowing financial statements to show desired results.
→ Increased costs.
→ Standards manipulation

ii) Additional information that cashflows statements provide is that unlike income statement, cashflow statement ignores depriciation.

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