Que1 (B) All of the Above

Que-2 (C) Adverse Option

Que-3 (A) Cashflow Statement

Que-4 (B) II And III

Que-5 Realization Concept - is when income is recognised as and when it is earned. It is not, therefore, necessary wait until the customer settles his or her bill. This avoids the fluctuations in reported income which might arise if every thing was announced for on a cash basis.

Accrual Concept - is when expenses are recognised and when they are incurred, regardless of whether the amount has been paid.

Date ___/___/___

Genius

e-6 Accelerating Revenue - One way to accelerate revenue is to book lump sum payments as current sales when services are actually provided over a number of years.

- Delaying Expenses - It is way in which the expenses are delayed or recorded at a time other than the expense is realized.

- Non recurring Expense - By accounting for extraordinary events, non-recurring expenses are one time charges designed to help investor better analyze ongoing operating results. Some Companies, however, take advantage to these each year.

- Other Income Or Expenses - Other income or expense is a category that can hide a multitide of sins. Here companies book any excess reserves from prior charges.

- Pension Plan - If a company has a defined benefit plan. it can use the plan to its advantage. The company can improve earnings by reducing the plan's expenses. If the investments in ~~my~~ the plan, then grow faster than the company's assumption, the company could record these as revenues.

- Off - Balance Sheet Items - A company can create seperate subsidiaries that can house liabilities or assets and incur expense that the parent company does not want to disclose.

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Que-7

Case	Gross Profit	Cash flow
1	Increase	No change
2	No change	outflow
3	Increase	No change
4	Decrease	No change
5	Decrease	No change

Que-8

- The main role of regulation in the financial system is to guarantee fair and efficient market and financia stability.

- India has two primary financial services regulators- the RBI and SEBI
- Banks-
  - Reserve Bank of India
  - Securities and exchange board of India
  - Insurance regulatory and development authority
  - Pension fund regulatory and devel. authority
  - forward market - Commission.

- Superannuation Product - Pension fund regulatory & development authority (PFRDA)

- General Insurance Companies- Insurance regulatory

and development authority (IRDA)
- Stock broker - SEBI
- Mutual fund - SEBI
- Market for listed company - SEBI
- foreign exchange dealers - SEBI
- Money changers - SEBI

Que-9 Cost Concept - Assets shall be recorded in the books of accounts at historical cost and not at fair price. Historical cost includes cost of acquisition and any other expenses including to bring the asset to its location and condition of use.

- The board of directors should check if the unusual transaction is partially being covered by any of the accounting concept and then come up with a micellanaous concept which stands true for the unusual transaction.

- Always applying accounting policy may not be a good idea because in business one should always expect worst. According to the prudence concept the organization provide expected losses but shouldn't recognize ~~antici~~ anticipated profits.