The Institute of Chartered Accountants of India

Code: FN1FR565894 **Total Marks:** 100
Subject : FINANCIAL REPORTING **Marks Obtained :** 86

Subject ....FR....

Number of Answer Books used : Main + ...3.... additional sheets

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565894

Q.No.	To be ticked (✓) by the candidate against the Questions answered	Marks Awarded (To be filled by Examiner) a	b	c	d	e	Total
1	✓						
2							
3	✓						
4	✓						
5	✓						
6	✓						
7							
8							
9							
10							
11							
12							
13							
14							
Total							

THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA NOVEMBER, 2020

ICAI

21 NOV 2020

Use only Blue / Black Ball Point Pen to write and shade the circles. **AVOID RED PEN.** Write the marks in the boxes before shading the respective circles.

Total Marks awarded

0	0
1	1
2	2
3	3
4	4
5	5
6	6
7	7
8	8
9	9

Total Marks awarded (in words) ____________

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INSTRUCTIONS TO THE CANDIDATE

Answers are not to be written on this page

... should be written in figures and words in the allotted space at the right hand corner of the ... only and nowhere else including additional answer book/s and graph paper.

... number should be written in the box in numbers and darken the appropriate circles of the OMR ...rtion provided in the right hand corner of the cover page with **Black / Blue** ball point pen.

3. Fill particulars such as name of Examination, Group No., Paper No. and subject at the appropriate space at the left hand upper corner.

4. Remove the Bar Code sticker of the particular paper from the Attendance sheet and affix the same on the box provided in the right hand corner of the cover page.

5. Since a machine will read the Roll no., please check and ensure that Roll number written in numbers, words and circles darkened are correct. In case any candidate fills this information wrongly, Institute will not take any responsibility for rectifying the mistake.

6. The answers should be written neatly and legibly

7. The answer to each question must be commenced on a fresh page and question number prominently written at the top of each answer. Alternatively, the question number should be distinctly written in the margin.

8. The answer to each question in all parts should be fully completed in one page or in a consecutive set of pages, before the next question is taken up.

9. Writing of Roll number in place/s other than the space provided for the purpose or writing distinguishing mark, symbols like "OM", "Sri", "Jesus", "786", etc., will tantamount to adoption of "unfair means"

10. Before submission of answer book to the invigilator take care to score out (X) blank pages, if any, that you might have left.

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18 Q3

6.5 3a

3

Q 3(a)

As per Ind AS 116 'Leases', when a seller sells an asset to the buyer and takes back the same asset on lease, it amounts to a 'Sale and Leaseback' transaction.

If the transaction satisfies the requirements of performance obligation being satisfied as per Ind AS 115 'Revenue from Contract with Customers', the seller-lessee derecognises the asset from its books and recognises a ROU Asset and Lease Liability as per Ind AS 116 as under:

Consideration recieved = ₹ 20,00,000
Carrying Value of Asset = ₹ 13,00,000

Lease Liability will be recorded at the PV of Annual Lease payments discounted at interest rate implicit in lease i.e 12% i.e ₹ 1494000

ROU Asset = Lease Liability

However, since the transaction is not at fair value, the consideration above fair value i.e. ₹ 3,00,00 will be regarded as a financing transaction.

1 3aStep1

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Q3(a)

1.5 3aStep3

The value of ₹ 3,00,000 will also be reduced from value of lease liability.

∴ Lease Liability will be recorded at 1494000 - ₹ 3,00,000 = ₹ 11,94,000

ROU Asset will be recognised at = Lease Liability × Carrying Value / Fair Value

2 3aStep2

1194000 × 13,00,000 / 25,00,000

= ₹ 620880

The difference if any will be taken to the Profit & Loss A/c.

∴ Accounting in books of Venus Ltd :-

2 3aStep4

1) Bank A/c	Dr	25,00,000	{To the extent of fair value}
ROU Asset A/c	Dr	620880	
To Profit & Loss A/c (bal fig)			626880
To Building A/c			13,00,000
To Lease Liability A/c			11,94,000

2) Bank A/c	Dr	3,00,000	
To Loan Taken A/c			3,00,000

{for consideration received in excess of fair value} → considered as financing transaction.

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7.5 3b

5

Q3(b)

As per Ind AS 36 'Impairment of Assets', if a corporate asset can be allocated to the Cash Generating units on a reasonable basis, then the impairment loss shall be calculated after allocating the value of corporate asset in ratio of carrying values.

However, if the value of corporate asset cannot be allocated on reasonable basis, it shall be impaired considering the recoverable amount for the business as a whole after impairment of individual CGU's.

=> Calculation of Impairment loss of Individual CGU's: (₹ in Crs)

Particulars	Train	Railway station	Railway Tracks.
Carrying Value (A)	1500	2,250	3300
Remaining Life (B)	10	20	20
A×B	15000	45000	66000
Ratio	15	45	66
Allocation of Cost of Land (15:45:66)	214	643	943
Total CV	1714	2893	4243
Recoverable Value	1800	2700	4200

3 3bStep1

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Q3(b)

1 3bStep2

Impairment loss	-	193	43

→ Allocation to CGU's and Land (Corporate Asset)

⇒ Railway station :

Impairment loss to CGU ⇒ $193 \times \frac{2250}{2893}$

⇒ 150

Loss to Land ⇒ $193 \times \frac{643}{2893}$ ⇒ 43

2 3bStep3

Railway Tracks :

CGU ⇒ $43 \times \frac{3300}{4243}$ ⇒ ₹ 33

Land ⇒ $43 \times \frac{943}{4243}$ ⇒ ₹ 10.

∴ Total Impairment loss charged to Land ⇒ 43 + 10 = $\boxed{53}$.

⇒ Calculation of Impairment loss of business as a whole :

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Q 3(b)

Particulars	Train	Station	Tracks	Land	Building
Carrying Value	1500	2250	3300	1800	600
Less: Impairment charged	-	(150)	(33)	(53)	-
Balance	1500	2100	3267	1747	600
~~Recoverable~~ Total CV					9214
Recoverable Value (Company as whole)					9600
Impairement					NIL.

1.5 3bStep4

∴ The company ~~has~~ as a whole is not impaired since Recoverable Value excess the aggregate carrying value.

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4 3c

Q3(c)

As per Ind AS 2 ' Inventories',
Inventories are defined as-
- Assets held for sale in ordinary course of business (FG)
- Assets to be used in production process for sale (WIP) &
- Materials held to be consumed in the production process.

Since Sophia Ltd is engaged in supplying Inverter panels, it constitutes inventories for Sophia Ltd.

Inventories are carried at lower of carrying value or (net realisable value

In the given case,
(i) Sophia Ltd has already incurred cost of ₹255 lakhs for WIP and ₹165 lakhs on FG. (Cost)

Since the customer cannot take the delivery, Sophia Ltd must estimate the net realisable value of such WIP and FG if it can be sold to another buyer.
It must be then measured at lower of cost or NRV.

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Q3(c)

However, if it cannot be sold to another buyer, its NRV will be considered as NIL and the entire cost shall be written off. (Measured at NIL).

(ii) In respect of Debtors of ₹ 195 lakhs, since the amount is not recoverable, ~~it~~ the entire amount must be recorded as "Provision for bad and doubtful debts".

4 3cStep1

∴ Suitable provisions must be made as stated above.

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19 Q5

10

5 5a

Q5(a)

As per Ind AS 19 'Employee Benefits', the treatment for given cases shall be as under :-

(i) Short-term compensating absences :
In case of accumulating absences, the company must recognise a provision on the basis of no. of leaves it expects the employees to carry forward.

2 5aStep1

∴ No. of privilege leaves expected to be carried forward =>
200 employees × 5 + 800 Employees × 10
=> 1000 + 8000
=> 9000 days

No of Sick leaves to be provided for :-
=> 200 employees × 2 + 800 ee × 5
=> 400 + 4000
=> 4400 days.

(ii) Profit sharing Plan :-
A provision must be made on the basis of profits expected to be distributed to employees.

1 5aStep2

∴ Amount to be provided for =
₹ 4000 Crs × 3.5% => ₹ 140 Crs

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Q5(a)

(iii) Defined Contribution Plan:
The amount to be paid towards contribution plan must be
- recognised as expense in the P/L A/c
- a corresponding liability must be created for amount remaining unpaid on balance sheet date.

2 5aStep3

→ ₹ 200 Crs must be recognised as expense in P/L A/c

→ Since ₹ 40 Crs has already been paid, a liability must be created for ₹ 160 Crs.

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8 5b

12

Q5(b)

Name of Group: Entity A & Subsidiaries
Consolidated Statement of Cash Flows for year ending 31 March 2020 :-

Particulars	₹
Consolidated Profit after tax	27500
Add: Tax expense debited	7500
Add: Interest Cost debited (Financing)	2000
Add: Depreciation (Non-Cash)	15000
	52,000
Changes in Working Capital	
Decrease in Trade Recievables (WN1)	2000
Decrease in Inventories (WN2)	4500
Decrease in Trade Payables (WN3)	(12000)
	(5500)
	46500
(-) Tax paid (5500 + 7500 - 6000)	(7000)
Cash Flow from operating (A) Activities	39500
Cash Flow from Investing Activities:	
Investment in B Ltd (WN4) (37000 - 1000)	(36000)
Cash Flow from Financing Activities:	
Interest Cost	(2000)

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Q5(b)

6.5 5bStep1

...al Cash Flows during the year	1500
Add: Opening Cash & Cash Equivalents	2500
Closing Cash & Cash equivalents	₹ 4000

WN1:- Trade Recievables:

Closing balance	27000
(-) Acquired from B	(4000)
	23000
(-) Opening balance	25000
Change	(2000)

WN2: Inventories:

Closing balance	15000
(-) Acquired from B	(2000)
	13000
(-) Opening balance	17500
change.	(4500)

WN3: Trade Payables:

1.5 5bStep2

Closing balance	34000
(-) Acquired from B	(16000)
	18000
(-) Opening balance	(30,000)
Change	(12000)

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Q5(b)

WN 4:

As per Ind AS 7 'Cash Flow Statements', (cash) amount paid for acquiring control over subsidiary must be recognised on gross basis under 'Investing Activities' and must be recorded net of cash & cash equivalents of acquiree.

∴ 37000 − 1000 = (₹ 36000)

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6 5c

15

Q5(c)

As per Ind AS 28 ' Accounting for Associates & Joint Ventures', when an entity follows equity method for accounting of associates in its CFS, it must record the cost of investment and increase this value by amount of its share in post profits of the associate.

1.5 5cStep1

The ~~parent~~/investor must increase the value of investment by :
- Share in Post P/L
- Share in Post OCI
- Share in changes [illegible] equity (post)

⇒ The investor must retain the same classification as done by the associate for recording the post profits.

1.5 5cStep2

For eg :- if the associate records the transaction in OCI, the Investor must also record its share in post OCI in the OCI (Reserve) and correspondingly increase the value of its investment by same amount.

Even if the investor does not directly participate in the transactions done by associates,

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Q5(c)

it records the changes in profits of associates by retaining the same classification (i.e P/L, OCI, Equity) in the consolidated financial statements.

In the given case,
S records the credit of ₹1000 on sale of stake in equity.

→ ∴ H must also recognise it's share (i.e 20%) of increase in equity i.e (₹ 200) in 'Other Equity' in consolidated financial statements.

1.5 5cStep3

The investment in S recorded as per 'Equity Method' will also be increased by ₹ 200 in consolidated Financial statements.

1.5 5cStep4

extract:

Equity	Assets
Other Equity ↑ 200	Investment in S ↑ 200

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18.5 Q4

5.5 4a

1 4aStep1

3 4aStep2

Q4(a)

As per Ind AS 109 and Ind AS 32 on 'Financial Instruments',

if an instrument has the features of both - liability and equity, then it is a 'compound financial instrument.'

In given case, 8% convertible loan is a compound instrument and must be split into equity and liability components as under :-

Yr	CF	DF @ 10%	PV
1	96000	0.91	87,360
2	96000	0.83	79680
3	96,000	0.75	72,000
4	96000 + 1200000	0.68	~~652~~ 881,280
	Value of liability component		11,20,320
	(-) Nominal Value		(12,00,000)
	Value of Equity Component		79,680

The liability component would be measured at 'amortised cost' using 'effective interest rate' of 10%.

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Q4(a)

∴ Interest to be recorded for current year => ₹ 1,12032 (@10%)

Amount already included as finance cost = ₹ 96,000.

1 4aStep3

∴ Additional Interest to be recorded in P/L A/c => ₹ 16032.

Closing balance of liability Component :

Yr	Op. balance	Int@10%	Payments	Cl. bal
1	1120320	112032	96,000	1136352
2	1136352	113635	96000	1153987
3			96,000	
4			96000	

Equity component will not be remeasured.

∴ Extract of Balance sheet :-

→ Equity
Other Equity (equity comp of 8% Loan) 79,680

→ Non Current Liability
Financial Liab
Liab Component of 8% Loan 1153987

0.5 4aStep4

→ Current Liab
Financial Liab
Liab component of 8% Loan 17455

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Q4(a)

P/L A/C
Finance Cost = ₹ 112032

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6 4b

20

Q4(b)

As per Para 13(a) of Ind AS '108' 'Operating Segments',
an operating segment must be reported if its total revenue is ≥ 10% of the total revenue (internal + external) of the entity.

3 4bStep1

Calculation of % Revenue :

Segment	% of Total Sales	Reportable ?
A	31.25%	Yes
B	6.25%	No
C	8.59%	No
D	53.90%	Yes.

As per Para 13(b), Segment A & D cross the required threshold and must be reported.

However, as per Para 15, if the external revenue of reportable segments is less than 75% of total external revenue of entity, then additional segments must be reported to increase the value to

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Q4(b)

75% of total revenue.

External Revenue of A&D => 470000
% of Total External Revenue => 73.43%

2 4bStep2

Since this is less than 75%, additional segments must be reported.

Since Segment 'C' is a high growing business and management expects higher contribution in future, it can be reported as 'startup segment'.

∴ % of Total Revenue (A, C, D) => 87.5%.

∴ Segments to be reported as per Ind AS 108 => Segment A, C & D.

1 4bStep3

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7 4c

Q4(c)

As per Ind AS 103, 'Business Combination', accounting under 'Acquisition Method' would be as under :-

1 4cStep1

1) Acquisition Date => 31 Dec 2019.

2) Acquirer => P Ltd.

3) Calculation of Purchase Consideration :-

	(₹)
Cash	50,00,000
Shares (90,000 × ₹ 10)	9,00,000
Fair Value of Contingent Consideration	2,00,000
	₹ 61,00,000

1.5 4cStep2

4) Fair Value of Net Identifiable Assets taken over of S Ltd => ₹ 45,00,0

1.5 4cStep3 alue of NCI at Fair Value = ₹ 0,000.

6) Acquisition related costs wo be debited to Profit & Loss A/c => ₹ 2,   000.

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04(c)

(7) Calculation of Goodwill / Gain on Bargain Purchase :-

	(₹)
Purchase Consideration	61,00,000
(+) Fair Value of NCI	5,00,000
(+) Fair Value of Investment previously held	18,00,000
	84,00,000
(-) Fair Value of Net Identifiable Assets taken over	(4500000)
Goodwill	₹ 39,00,000

2 4cStep5

=) ∴ Accounting entry to be passed in books of P Ltd : on 31.12.2019

Net Identifiable Assets A/c Dr	45,00,000	
Goodwill A/c Dr	39,00,000	
To Cash A/c		50,00,000
To Eq. Share Capital A/c		9,00,000
To Contingent Consideration Payable A/c		2,00,000
To NCI A/c		5,00,000
To Carrying Value of Investment		8,00,000
To P/L / other Equity (Gain on Investment)		10,00,000

1 4cStep4

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17 Q6 24

5 6a

Q 6(a)

As per Ind AS 102 ' Share based payments' -

WN 1) Calculatation of expenses to be debited to P/L A/c

2.5 6aStep1

Yr	expected employees	Cumulative Amount	Expense for the year.
1.04.2017	~~94%~~ 100%	10,000 × ₹100 × ~~94%~~ 100% = ~~940000~~ 10,00,000	~~940000~~ ₹ 10,00,000
31.3.18	94%	10,000 × ₹ 132 × 94% => 1240800	₹ 240800 (1240800 - 10,00,000)
31.3.19	91%	10000 × 139 × 91% => ₹1264900	₹ 24100
31.3.20	85%	10,000 × 141 × 85% = ₹1198500	(66400)

=> Since SAR's vest immediately, they are recorded at fair value on grant date and remeasured subsequently (at fair value on every reporting date).

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2.5 6aStep2

Q6(a)

Journal Entries :-

Date	Particulars	LF	Dr (₹)	Cr (₹)
1.04.2017	Employee benefit expense A/c Dr		10,00,000	
	To SBP Liab A/c			10,00,000
	(Being SAR's gr ed)			
31.3.2018	Employee benefit expense A/c Dr		240800	
	To SBP Liab A/c			240800
	(Being SAR's alued at FV on B/S date) i.e ₹132			
31.3.2019	EBE A/c Dr		24100	
	To SBP Liab A/c			24100
	(Being SAR's reva l at 9).			
~~31.3.2020~~	~~EBE A/c~~			
	~~To SBP Liab~~			
31.3.2020	SBP Liab A/c Dr		66400	
	To EBE			66400
	(Being SAR's ued at ₹141)			
31.3.2020	SBP Liab A/c Dr		1198500	
	To Bank			1198500
	(Being option xercised)			

 # Note :- Employee Benefit Expense A/c can be transferred to P/L A/c every year

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5 6b

26

Q6(b)

As per Ind AS 12 'Income Taxes', the transactions would be given effect as under :-

(i) Deferred tax Assets must be recognised only when there is certainty that taxable profits will be earned in future against which such DTA will be set-off.

DTA can be created on bought forward losses of ~~std~~ S Ltd.

1 6bStep1

However, since Parent Ltd estimates that S Ltd will n[ ] make any taxable profits in future, [No [ ]TA] will be created on loss of ₹ 20,00,000 incurred by S Ltd.

(ii) Carrying value of loan in Books as per Ind AS 109 => (₹ 50,00,000 − 1,00,000) × 10% on 31.3.2020 + 49,00,000

=> 5390000

2 6bStep2

~~to~~ Tax base of loan on 31.3.2020 => ₹ 50,00,000

∴ Deductible temporary difference => 390000

∴ DTA => ₹ 390000 × 20%
on 31.3.2020 := ₹ 78000

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ADDL. BOOK

Addl. Book No. 1

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Q 6(b)

As per Ind AS 109, effective interest rate is that rate at which PV of ~~inflows~~ outflows equates PV of ~~outflows~~ inflows.

Initial Recognition =>	₹ 4900000 (Net of Exps)
10% (Y1)	490000
	5390000
+ 10% (Y2)	539000
	5929000
+ 10% (Y3)	~~55~~ 592900
Payment at end.	₹ 6521900

2 6bStep3

Since this equates the repayment value, the EIR of 10% is correct as per Ind AS 109.

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4 6c

2

Q 6(c)

As per provisions of CSR contained in Section 135 of Companies Act, 2013, the following companies are required to constitute a CSR Committee ⇒

2 6cStep1

Any company having -
- networth of ≥ ₹ 500 Crs
- Turnover of ≥ ₹ 1000 Crs
- Net Profit of ≥ ₹ 5 Crs

in the immediately preceeding financial year must constitute a CSR committee.

(i) Even though criteria not satisfied in current year, Ro[illegible] Ltd must form CSR committee since [illegible] profit in preceeding FY ≥ ~~₹5~~ ₹5 Crs.

(ii) Any expenditure incurred by the company in the ordinary course of business or in nature of commercial activities is not considered as CSR expenditure.

2 6cStep2

Thus, commercial activities undertaken during pandamic cannot be accounted as CSR.

View of Accountant is Incorrect

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3 6d

Q6(d)

1 6dStep1

As per Ind AS 111 'Joint arrangements', every joint operator of a joint operation must recognise in it's books
- assets and liab included share in assets / liab held jointly
- share in revenue and expenses of joint operation.

1 6dStep3

∴ It does not matter whether the joint operator has joint control over joint operation or not. The treatment is same for all joint operators.

6dStep2

In given case,
M & N have joint control over Entity K. C Ltd. is a party to joint operation but does not have joint control.

1 6dStep4

In view of provisions given in Ind AS 111, the manner of accounting to be followed by M Ltd and N Ltd and C Ltd would be same.

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13.5 Q1

4

8 1a

Q 1(a)

The given case must be dealt with as per provisions of Ind AS 109 ~~and Ind~~ 'Financial Instruments'.

As per Ind AS 109, a financial asset must be initially recognised in books at fair value.

If the transaction is not on market terms, the cash flows must be discounted at market rate of interest and the balance must be recognised

1 1aStep1 basis its nature.

In the given case,
Housing loan is advanced to employees at 6% p.a which is lower than market interest rate of 10% p.a.

∴ The fair value of loan can be computed as under:

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Q1(a)

Year	Principal	Interest	Total Cash Flow	PF @ 10%	PV
1	3,00,000	90,000	390,000	0.909	354510
2	3,00,000	72000	372000	0.826	307272
3	3,00,000	54000	354000	0.751	265854
4	3,00,000	36000	336000	0.683	229488
5	3,00,000	18000	318000	0.621	197478
					₹1354602

2.5 1aStep2

∴ Out of ₹ 15,00,000, only ₹ 1354602 must be recognised as loan and balance amount of ₹ 145398 must be recognised as 'Staff Welfare expense' in the statement of [ ]it and loss A/c.

1 1aStep3

Alternatively, it can also be recognised as asset and deferred over 5 years.

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Code: FN1FR565894 | Total Marks: 100
Subject : FINANCIAL REPORTING | Marks Obtained : 86

2

Q1(a)

The loan amount of ₹ 1 4,602 would be recognised at amortised cost using market rate of 10%.

1.5 1aStep5

∴ The accounting treatment by accountant of recognising entire ~~loan~~ amount of ₹ 1500000 as loan and recognising interest of 6% p.a is not in compliance with Ind AS 109.

∴ 1) Amount of Housing loan => ₹ 1354602 (Initial Recog)

2) Amount of Interest to be recognised for period => ₹135460 (10% of ₹ 1354602)

3) Amount of ₹ 145 8 must be recognised in P/L A/c as 'Staff welfare Expenses.'

=> Amortisation of Housing loan:-

1 1aStep4

Yr	Op. bal	Int	Repayment	Closing bal
1	1354602	13546	390000	1100062
2	1100062	11000	372000	838068

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Subject : FINANCIAL REPORTING Marks Obtained : 86

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Q1(a)

Balance Sheet Extract for Housing loan :-
as on 31.3.2021

Non Current Assets
Financial Assets
Loan to employees 838068

1aStep6

Current Assets
Financial Assets
Loan to employees 261994
(1100062 − 838068)

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Subject : FINANCIAL REPORTING
Total Marks: 100
Marks Obtained : 86

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5.5 1b

Q1(b)

As per Ind AS 33 'Earnings per share',

Basic EPS ⇒ $\frac{\text{Profit attributable to equity shareholders}}{\text{Weighted average no. of equity shares}}$

⇒ $\frac{90,000}{16000}$

1 1bStep1

= $\boxed{₹\ 5.625}$ /share

Diluted EPS :- $\frac{\text{Profit attributable to equity shareholders after considering dilutive earnings}}{\text{No. of shares after considering potential equity shares}}$

= $\frac{165000\ (WN)}{56150\ (WN)}$

= $\boxed{₹\ 2.938\ /share}$

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Subject : FINANCIAL REPORTING Marks Obtained : 86

Q1(b)

WN :- When there are multiple potential ordinary shares, they must be ranked on the basis of most dilutive to least dilutive on the basis of incremental earnings per share.

⇒ ∴ Calculation of Incremental Earnings per share :-

(i) Warrants / options :
Bonus element in Options ⇒ $\frac{900 \times ₹75}{₹90}$
⇒ 750
∴ Bonus Shares Issuable ⇒ 900 − 750
= 150.

Incremental earnings ⇒ NIL
∴ Incremental EPS ⇒ NIL

(ii) Convertible Preference Shares :

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Q1(b)

Incremental earnings => (₹500 shares × ₹9) + 8%
=> ₹ 72900
Incremental Shares => 7500 shares × 2
=> 15000 shares
∴ Incremental EPS => ₹72900 / 15000

3 1bStep3
=> ₹ 4.86

(iii) 10% Convertible Debentures:
Incremental earnings => (10,00,000 × 10%) − 25%
=> ₹ 75000
Incremental Shares => 10,00,000 / 100 × 4 sh
=> 40,000 shares
∴ Incremental EPS => ₹ 1.875

∴ Options → ost Dilutive
Convertible Preference Shares → Least Di tive.

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Code: FN1FR565894 Total Marks: 100
Subject : FINANCIAL REPORTING Marks Obtained : 86

3

Q1(b)

Calculation of diluted earnings per share :-

Particulars	Earnings	No of shares	EPS.
Basic EPS	90,000	16000	5.625
(+) Dilution on options	-	150	
	90,000	16150	5.573
(+) Dilution on convertible debentures	75000	40,000	
	165000	56150	2.938
(+) Dilution on convertible pref shares	72900	15000	
	237900	71150	3.34

1.5 1bStep2

∴ Since the maximum dilution is ₹2.938, the diluted EPS => ₹ 2.938

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Code: FN1FR565894 **Total Marks:** 100

Subject : FINANCIAL REPORTING **Marks Obtained :** 86

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Code:	FN1FR565894	Total Marks:	100
Subject :	FINANCIAL REPORTING	Marks Obtained :	86

Result Overview

Awarded Marks: 86 **Max Marks:**100

NA Not Attempted	O Optional	M Marked

Q1_Compulsory (Score: 13.5/20)

Question No	Awarded Marks	Maximum Marks	Status
Q1	13.5	20	M
1a	8	12	M
1b	5.5	8	M

Q2_Q6 (Score: 72.5/80)

Question No	Awarded Marks	Maximum Marks	Status
Q2	0	20	O
2a	0	14	O
2b	0	6	O
Q3	18	20	M
3a	6.5	8	M
3b	7.5	8	M
3c	4	4	M
Q4	18.5	20	M
4a	5.5	6	M
4b	6	6	M
4c	7	8	M
Q5	19	20	M
5a	5	6	M
5b	8	8	M
5c	6	6	M
Q6	17	20	M
6a	5	5	M

6b	5	6	M
6c	4	5	M
6d	3	4	M