

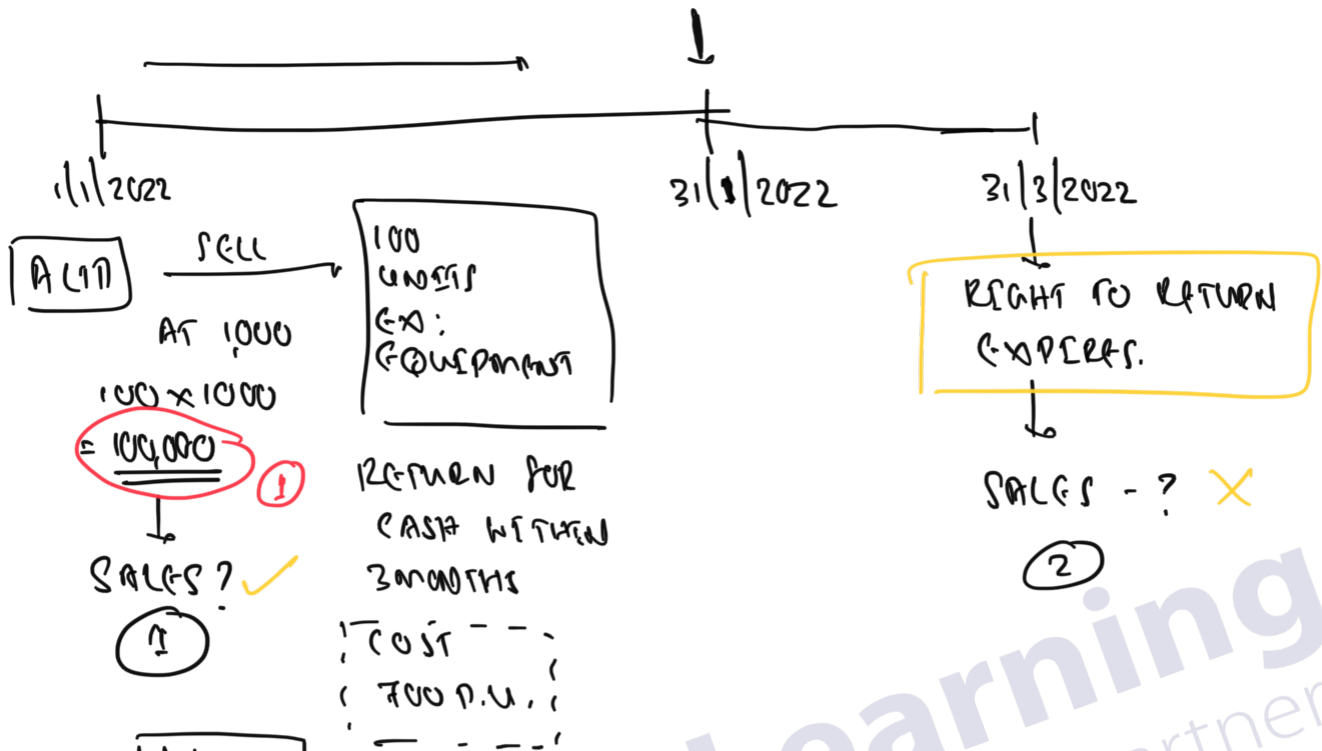
LKAS 15

Other Topics

Chartered Accountancy Strategic Level Advanced Business Reporting (ABR)

Imraz Iqbal
FCA, ACMA, MBA, ASA

SALE WITH RIGHT OF RETURN.



Q10 11/2022

ASSESS - HOW MUCH WILL BE RETURNED? - (10%) EXPENSIVE

SALES - $100 \times (1 - 10\%) \times \text{RS. } 1000 = 90,000$ CR (1)

$$\text{COS} = \frac{100 \times (1 - 10\%) \text{ R. 700}}{63,000} \text{ De } \textcircled{?}$$

GP.

slip

CASH - 100 x Rs. 1000 ↓ = 100000 DR 7

Inventory - $100 \times 10\% \times 2.700 \downarrow = \underline{\underline{7,000}}$ DR (2)

- UNDER

REVENUE OF REVENUE.

Inventory - All stocks

LIAB

$\frac{0.04}{0.06} = \frac{0.04}{0.06}$

REBATE UP RETURN $100 \times 10\% \times 100 \downarrow = \underline{\underline{10,000}}$ CR

DURING JAN 2022

- 2 RETURNS - 2 UNITS $\times 1000 = 2,000$

CASH CR 2000

REFUND I/PAS DR 2,000

INVENTORY - AT STOCKS DR $700 \times 2 = 1,400$

INVENTORY - UNDER REPAIR OF RETURN CR = 1,400

AS AT 31/1/2022

- REASSESS THE REFUND LIABILITY - $\underline{10\%} - \underline{2\%} = \underline{8\%}$
?

- REASSESS TO ① 5% | 15%

REFUND I/PAS BALANCE = $10,000 - 2,000 = \underline{8,000}$

" REASSESSED AMT = $10,000 \times 5\% = \underline{5,000}$

TRF TO REVENUE

SALES CR

REFUND I/PAS DR

COS DR - 2,100

INVENTORY - UNDER R/E CR 2,100

$7,000 - 1,400 = 5,600$

$100 \times 5\% \times 700 = \underline{\underline{3,500}}$ ✓

2,100

8,000

15,000

7,000

DR

CR

2,100

P&L - JAN

	1/1/2022	31/1/2022	TOTAL
SALES	90,000	3,000	93,000
COS	(63,000)	(2,100)	(65,100)
GP	27,000	900	27,900

S/P/L

CASH	100,000	(2,000)	98,000
INV - UNDER R/R	7,000 - 1,400 - 2,100		3,500 = $(100 \times 5\% \times 700)$
INV - AT STOCK	- +1,400		1,400 = (2×700)

C/EXP

REFUND VAB

14,000 - 2,000 - 3,000

5,000 = $(100 \times 5\% \times 1000)$

WARRANTY

GENERAL
WARRANTY

NOT A SEPARATE
PO

EXTENDED
WARRANTY

IS A SEPARATE
PO.

$$\begin{aligned} \text{SALES} &= \text{SQ, UU} \\ \text{COS} &= \frac{(\text{xxx})}{\text{xx}} \\ \text{GP} & \end{aligned}$$

$$\begin{aligned} \text{SALES} &= \text{SQ, UU} \\ \text{STAND ALONE PRICE} & \\ \text{TV} &= \text{SQ, UU} \\ \text{WARRANTY} &= \text{SQ, UU} \end{aligned}$$

Slip

$$\text{Costa} \quad \text{SQ, UU}$$

$$\begin{aligned} \text{SALES} &= \text{SQ, UU} \\ \text{COS} &= \frac{(\text{xxx})}{\text{xx}} \\ \text{GP} & \end{aligned}$$

CFM

WARRANTY
PROVISION
(LARS-37).

$$\text{Costa} \quad \text{SQ, UU}$$

Costa
DEFERRED
REVENUE

SQ, UU $\xrightarrow{\text{OVER WARRANTY}}$
PERIOD
AS THE
WARRANTY
EXPIRES.

$$\begin{aligned} &\frac{\text{SQ, UU}}{\text{xx}} \\ &= 1000 \text{ P.A} \end{aligned}$$



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