Ind AS 115 AC example

→ map $\boxed{R}$ to trf $\boxed{G/S}$

→ Amt → Reasonable expects.

Bank A/c

To sale

To unearned Revenue

1. contracts [enforceable]

→ Approved $\boxed{T}$ / Rights identified

pay $\boxed{T}$ / comm subst [actual Transaction]

collectability [sale to Relative]

combining v/s segmenting

All or none → single package [Dam → 2 Loss, Govt → 3 profit]

each separate → General principle

* contract modifn *

If Distinct PO & separate P.O → YES ✓

→ NO ✗

2] P.O. [Promises]

→ Distinct → some benefit.

→ separately Identifiable

① Nt Integrated sign

② Nt customisation of existence

③ Nt highly Interrelated.

* Cable/Newspaper for 1 year

Series of same P.O. [365 P.O.]

↳ Single P.O.

[pattern of trf is same]

* $\boxed{P}$ → Gross $\boxed{A}$ → Net commn.

Primary Resp to fulfil service + Inv. Risk + Pricing Discretionary.

* upfront nonRefundable fees

↳ If for separate P.O. → Immn at G/S Trf.

If for future P.O. ↳ Deferred till future Trf.

3] Transaction Price

→ entity expects to receive

excludes Amt collected frm 3rd party [GST]

Fixed consideration → Always

variable consn
↳ If nt constrainted
↳ ~~All~~ Include

(+) performance Bonus

(−) penalty

* Method fr cal^n Variable consideration

Expected value method
↓
Pb based value
[Range of ~~2 or~~ more then 2 outcome]

Most likely outcome method
[only 1 outcome]

* constraints in variable consideration *

Record & High possibility of Nt Receiving at end
↓
Constrainted
[Highly probable]

[past experience

" "
& Nt hv to Reversal in future
↓
Nt constrainted
↓
Include.

* Sign Financing Component
[Time is Involved
payment at Later Stage]

Time Gap $\boxed{> 12 \text{ month}}$

↳ Std Assume Sign Loan]

↳ Dt of P2O & Pay Received

Exceptions
↓
Reason for other than financing
OR
TRR OR G/S is at customer Discretionary
OR
variable consideration is Involved
[sale based Royalty known at end]

→ NO

Discounting
↓
Disc. Rate
↓
1st pref
Incremental financing Arrangement

2nd IRR.

Barter

Commercial substance → NO
↓ ↓
FV Received NO
NA RR.
Standalonce

Consideration payable to customer.

Service is Distinct

Yes → Record Separately as Distinct Service

No → Netted off (Reduce fr)

Consid < FV → Separately

Cons > FV → overstating Exp only to extend FV → Separate service. Above reduce from Transaction price.

* Sale on Return

Revenue Nt Return → Record

↳ To be Return

↳ Refund Liability + Recovery Asset. [matching]

4] Allocation of Trans. Price

Ratio → Consideration to Receive

[In Separate Standalone Price]

* Exception *

- Discounts
- Variable Consideration

* Standalone SP *

- Seller himself. observable price
- Not
  - Cost plus
  - Residual [Balance]
    - Suitable → Nt Seen Standable or hv Standable wide Range
    - ① Allocate Discount, ② Residual value shd be in Range.
  - Adjusted MKT price
    Comp. price + Adjust.

⑤ Revenue Recognise

Control Trf

Ability to direct use | prevent other frm use.

Trf of control

Over period of Time | at a point.

Over period of Time → NT

① Render & consumped simulteneous eg:. coaching [mid Retire whether to start or continue at stage]

② modifying customer Asset. [painting]

③ Goods hv no alternate use [Legal / Practical constraint]

+

Seller has Right to Receive payment fr work completed.