Accounting Theory & Practice — Complete Notes

📅 As per LU datesheet

M.Com Sem I · LU · MCCC-01 · All 5 Units (Important Topics 2026) · One-file revision of all five units of Accounting Theory & Practice, built around the Important Topics 2026 list. Each unit section covers the ★★★ and ★★ topics with model answers; numericals follow in the solved examples.

Units I–II

- ★ Concepts, GAAP
- ★ IFRS, Ind AS
- ★ Theory approaches

Unit III

- ★ Income concepts
- ★ Revenue recog.
- · Capital maint.

MCCC-01 All Units
mind map

Unit IV

- ★ Depreciation
- ★ Change in method
- ★ Inventory, Ind AS 2

Unit V

- ★ CPP, CCA
- ★ Monetary items
- ★ Ind AS 21

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Exam date: As per LU datesheet	**Time:** As per LU datesheet	**Duration:** 3 hours	**Paper:** MCCC-01

Exam-hall strategy: *Read the whole paper first → start with the question you know best → draw neat, labelled diagrams → box every final answer and formula → keep the last 5 minutes for checking.*

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Important Topics 2026 & Expected Questions

Topic list from LUUPDATE's Important Topics 2026 for M.Com Sem I (University of Lucknow, NEP 2025-26). Exam: 10 questions, attempt any 5, 14 marks each (MM 70, 3 hours). ★★★ = must study, ★★ = high chance, ★ = if time permits.

#	Tag	Question / Topic	Unit / Priority
1	★★★	Accounting concepts, conventions, postulates and principles – role in objective, reliable and comparable accounts	Unit I Must study
2	★★★	Globalisation and harmonisation of accounting standards; IFRS and its applicability in India (Ind AS)	Unit I Must study
3	★★	Accounting vs book-keeping; emerging patterns of accounting	Unit I High chance
4	★★★	Accounting theory – concept, role in improving practice and resolving complex issues	Unit II Must study
5	★★★	Methodologies (deductive, inductive) and other approaches of accounting theory	Unit II Must study
6	★★	Classification of accounting theory	Unit II High chance
7	★★★	Accounting concept of income; different concepts of income measurement	Unit III Must study
8	★★★	Revenue recognition – at sale, during production, on cash receipt; Ind AS 18 / Ind AS 115	Unit III Must study
9	★★	Concepts and approaches of capital (financial and physical capital maintenance)	Unit III High chance
10	★★	Computerised accounting – advantages and limitations	Unit III High chance
11	★★★	'Depreciation is a source of funds' – methods of depreciation; change in method	Unit IV Must study
12	★★★	Inventory valuation and true income; methods (FIFO, weighted average); Ind AS 2	Unit IV Must study
13	★★	Factors affecting depreciation and choice of method	Unit IV High chance
14	★★★	Inflation accounting – need, monetary and non-monetary items, CPP and CCA methods	Unit V Must study
15	★★★	Net monetary result / gain or loss (numerical)	Unit V Must study
16	★★★	Foreign currency translation – conceptual issues, functional currency, methods; Ind AS 21	Unit V Must study

Also revise: AICPA 1941, AAA 1966, going concern, accrual, matching, conservatism, materiality, IASB, Ind AS, carve-outs.; Hendriksen, syntactic/semantic/pragmatic, normative vs positive, Watts & Zimmerman, decision-usefulness, FASB/IASB framework.; Transactions approach, capital maintenance, financial vs physical capital, A – L = P, A = E, Vatter, realisation, Ind AS 18 → Ind AS 115, Tally/ERP.; AS 10 / Ind AS 16, SLM, WDV, SYD, annuity, sinking fund, change in estimate (prospective), Ind AS 8, cost or NRV, FIFO, weighted average.; General price index, CPP, CCA, Sandilands, COSA, MWCA, gearing adjustm

Flowcharts & Diagrams — See It at a Glance

→ FLOWCHART: Hierarchy of Accounting Thought

Objectives of financial reporting → Postulates (basic assumptions — self-evident) →
Concepts (ideas derived from postulates) → Principles / GAAP (rules of action) →
Standards (AS / Ind AS / IFRS) → Procedures and practice

→ FLOWCHART: Deductive Method

State objectives of financial statements → Select postulates (environment) →
Derive concepts and principles logically → Develop procedures/techniques →
Apply to practice (top-down)

→ FLOWCHART: Ind AS 18 — Sale of Goods Recognised When...

Significant risks and rewards of ownership transferred →
No continuing managerial involvement or effective control → Revenue can be measured reliably →
Economic benefits probable to flow → Costs incurred can be measured reliably

Concepts vs Conventions vs Postulates

Basis	Postulates	Concepts	Conventions
Nature	Basic assumptions	Ideas built on postulates	Customs/practices
Source	Environment of accounting	Logic	Usage over time
Examples	Entity, going concern, money measurement	Accrual, realisation, matching, dual aspect	Consistency, disclosure, materiality, conservatism

Accounting vs Economic Income

Basis	Accounting income	Economic income
Basis	Realised transactions	Change in wealth/well-being
Valuation	Historical cost	Present value / market value
Unrealised gains	Excluded (mostly)	Included
Objectivity	High (verifiable)	Low (subjective)
Use	Tax, dividends, reporting	Economic decisions, theory

Monetary vs Non-monetary Items

Monetary	Non-monetary
Cash, bank balances	Land, building, plant
Debtors, bills receivable	Inventory
Creditors, loans, debentures	Goodwill, intangibles
Fixed in money terms	Value changes with prices

Holding net monetary **assets** in inflation → **loss**; net monetary **liabilities** → **gain**.

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Detailed Revision Notes

Unit I – Accounting – An Overview

Accounting Concepts ★★★

- **Business entity** — business separate from owner (drawings, capital)
- **Money measurement** — only monetary events recorded
- **Going concern** — business will continue; assets at cost less depreciation
- **Accounting period** — life divided into periods (year)
- **Cost concept** — assets recorded at acquisition cost
- **Dual aspect** — every transaction has two effects (A = L + C)
- **Realisation** — revenue recognised when earned (goods transferred/service rendered)
- **Accrual** — record when earned/incurred, not when cash moves
- **Matching** — expenses matched with revenues of the period

Accounting Conventions ★★★

- **Consistency** — same methods year after year; change only with disclosure
- **Full disclosure** — all material facts disclosed (notes to accounts)
- **Materiality** — items that could influence decisions shown separately; trivial items aggregated
- **Conservatism (prudence)** — anticipate no profit, provide for all possible losses (stock at lower of cost/NRV, provision for doubtful debts)
- Modern frameworks prefer **neutrality** with "prudence" as caution, not deliberate understatement

Postulates ★★★

- Fundamental assumptions about the economic and social environment of accounting, accepted as true without proof
- **Moonitz (ARS 1, 1961):** environmental postulates (quantification, exchange, entities, time period, unit of measure) and imperative postulates (continuity, objectivity, consistency, stable unit, disclosure)
- Common list: entity, going concern, money measurement, periodicity, stable monetary unit, objectivity

Principles & GAAP ★★★

- Rules of action derived from postulates and concepts — e.g. revenue principle, matching principle, historical cost principle, disclosure principle
- **GAAP** — body of generally accepted accounting principles, standards and practices in a jurisdiction
- **Qualities:** relevance, objectivity, feasibility (Hendriksen)
- In India: Companies Act 2013 (s.133 standards), ICAI guidance, SEBI LODR, Ind AS/AS

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IFRS – Meaning & Need ★★★

- **IFRS** — standards issued by the **International Accounting Standards Board (IASB, 2001)**, successor to IASC (1973); earlier standards called IAS still in force
- Used or permitted in over 140 jurisdictions (EU listed companies since 2005)
- **Need:** global comparability, cross-border capital raising, lower cost of capital, transparency, single set of global standards
- **Features:** principle-based, fair value orientation, substance over form, extensive disclosure

Applicability in India (Ind AS) ★★★

- India chose **convergence** — Ind AS substantially aligned with IFRS but with some **carve-outs/carve-ins**
- Notified by MCA under **Companies (Indian Accounting Standards) Rules, 2015**
- **Phase I (from FY 2016-17):** companies with net worth ≥ ₹500 crore (and their holding, subsidiary, JV, associates); voluntary adoption allowed
- **Phase II (FY 2017-18):** all listed/to-be-listed companies and unlisted with net worth ≥ ₹250 crore
- **NBFCs** from FY 2018-19 (phased); insurers and scheduled commercial banks — implementation deferred
- Once adopted, cannot revert to AS

Accounting vs Book-keeping ★★★

Basis	Book-keeping	Accounting
Scope	Recording in books of original entry and ledger	Recording + classifying + summarising + interpreting + communicating
Stage	Primary	Secondary — starts where book-keeping ends
Nature	Clerical and routine	Analytical, requires judgement
Output	Journal, ledger, trial balance	Financial statements, reports, analysis
Person	Book-keeper	Accountant
Decision role	None	Basis for decisions

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Unit II – Accounting Theory

Meaning ★★

- A coherent system of interrelated objectives and fundamentals that guides standard-setting (FASB definition)
- **IASB Conceptual Framework (2018)** – objective, qualitative characteristics, reporting entity, elements, recognition and derecognition, measurement, presentation and disclosure, capital maintenance
- ICAI also issued a Conceptual Framework for Ind AS

Role / Objectives ★★★

- Explain existing practices and the reasons behind them
- Evaluate practices and identify weaknesses
- Predict effects of accounting choices
- Guide new problems (leases, derivatives, crypto, ESG)
- Basis for standard-setting (conceptual frameworks)
- Reduce diversity and improve comparability
- Education and research

By Structure / Level (Hendriksen) ★★★

- **Syntactic (structural) theories** – explain the structure and logic of practice (double entry, historical cost); tested for internal consistency
- **Semantic (interpretational) theories** – relate accounting concepts to real-world objects/events (does "profit" correspond to real economic gain?)
- **Pragmatic (behavioural/decision) theories** – study the effect of accounting information on users' decisions and behaviour

Traditional Approaches ★★★

- **Non-theoretical: pragmatic** (based on practical utility – what works) and **authoritarian** (rules issued by professional/regulatory bodies)
- **Theoretical:** deductive, inductive
- **Ethical approach** – fairness, justice and truth (D. R. Scott); "true and fair view"
- **Sociological approach** – social effects of accounting; social welfare; basis of social responsibility accounting
- **Economic approach** – accounting policies should reflect macro-economic effects (e.g. inflation, economic stability)
- **Eclectic approach** – combination of all the above; how standards are actually made

Newer Approaches ★★★

- **Behavioural approach** – effect of reports on behaviour of users and preparers (human information processing)
- **Predictive approach** – choose methods with best ability to predict future events (cash flows, bankruptcy – Beaver)
- **Events approach** (Sorter, 1969) – report events in a form allowing users to apply their own decision models
- **Information/communication approach** – accounting as a communication process
- **Decision-usefulness approach** – basis of today's conceptual frameworks
- **Positive accounting theory** (Watts & Zimmerman) – explains choices through bonus plan, debt covenant and political cost hypotheses

Unit III – Income, Capital & Revenue

Accounting Concept of Income ★★★

- Excess of realised revenues over related historical costs for a period — **transactions approach**
- Based on realisation, matching, historical cost and accrual
- **Merits:** objective, verifiable, legally accepted, useful for stewardship and tax
- **Limitations:** ignores unrealised changes in value, inflation, intangibles; different methods give different profits

Relevance & Concepts of Income Measurement ★★★

- **Relevance:** measure of efficiency and performance; basis for taxation; dividend decisions; investment and credit decisions; managerial planning and control; price regulation; national income
- **Transactions approach** — income from changes in assets/liabilities due to transactions
- **Activities approach** — income from activities (production, sales, collection) — allows recognition at different stages
- **Capital maintenance approach** — income is what remains after maintaining capital: **financial capital maintenance** (money capital or constant purchasing power) or **physical capital maintenance** (operating capability)
- Other bases: historical cost, current cost, CPP, realisable value, present value

Revenue-producing Activities ★★

- Sale of goods
- Rendering of services
- Use by others of entity assets yielding interest, royalties and dividends
- Construction contracts (earlier AS 7/Ind AS 11)
- Recognition timing options: at sale (most common), during production (percentage of completion), at completion of production (precious metals), on cash collection (instalment, uncertain collectibility)

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Recognition Criteria – Ind AS 18 (and Ind AS 115) ★★★

- **Sale of goods** — five conditions in flow (risks and rewards approach)
- **Services** — by stage of completion when outcome can be estimated reliably
- **Interest** — effective interest method; **royalties** — accrual basis per agreement; **dividends** — when right to receive is established
- **Measurement** — fair value of consideration received/receivable, net of trade discounts and rebates
- **Note:** Ind AS 18 was replaced by **Ind AS 115 (from 1 April 2018)** — five-step **control-based** model: identify contract → identify performance obligations → determine transaction price → allocate price → recognise revenue when/as obligation satisfied. AS 9 continues for non-Ind AS companies

Concepts of Capital ★★★

- **Financial capital** — net assets or equity in money terms (nominal or in constant purchasing power)
- **Physical capital** — productive capacity/ operating capability of the entity
- Choice affects profit: profit arises only after the chosen capital is maintained
- Other views: legal capital (share capital), invested capital, working capital, economic capital

Advantages & Limitations ★★

- Advantages: fast, accurate, up-to-date, scalable, GST/e-invoice/TDS integration, MIS reports, reduced paper
- Limitations: cost, cyber risks, data loss without backup, dependence on trained staff, errors in input (GIGO)
- Companies Act rules require audit trail (edit log) in accounting software from FY 2023-24
- Manual vs computerised: same principles, different processing

Unit IV – Valuation of Depreciation & Inventory

Main Methods ★★★

- **SLM** — equal charge; simple; suits assets used evenly (buildings, leases)
- **WDV** — decreasing charge; matches higher early benefit and rising repairs; never reaches zero; used for tax (block of assets)
- **SYD** — accelerated; e.g. 5-year life → SYD = 15; year 1 = 5/15
- **Units of production / machine hours** — usage-based
- **Annuity** — for leases; considers interest; **sinking fund** — invest equal amounts outside business
- **Insurance policy** method — premium builds replacement fund

Factors Affecting Computation & Choice ★★★

- Cost of asset; residual value; useful life (physical, technological, legal limits)
- Expected pattern of consumption of benefits
- Repairs and maintenance pattern
- Nature of asset and industry practice
- Legal and tax provisions
- Simplicity, consistency and effect on profits
- Inflation and technological change

Valuation of Change in Method ★★★

- **Old AS 6 (pre-2016):** change in method treated as change in accounting policy — depreciation recalculated retrospectively from the date of acquisition under the new method; the surplus/deficiency adjusted in the year of change in P&L
- **Revised AS 10 (2016) and Ind AS 16:** method reviewed at least at each financial year-end; change treated as a **change in accounting estimate** under AS 5 / Ind AS 8 → applied **prospectively** to the carrying amount; no retrospective recomputation
- **Disclosure:** nature and amount of change affecting current and future periods
- Exam tip: state both approaches, then solve as per question (most new questions expect prospective; older textbook problems use retrospective)

Ind AS 2 – Key Provisions ★★★

- Measure at **lower of cost and net realisable value** (item by item or groups of similar items)
- **Cost** = purchase cost + conversion cost + other costs to bring to present location and condition
- **Excluded:** abnormal wastage, storage (unless necessary), administrative overheads not related, selling costs
- **Formulas:** specific identification (non-interchangeable items); FIFO or weighted average; **LIFO prohibited**
- **Techniques:** standard cost and retail method if results approximate cost
- Write-down to NRV expensed; reversal allowed when NRV rises (limited to original write-down)
- Not applicable to WIP of construction contracts, financial instruments, biological assets

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Unit V – Inflation Accounting & Foreign Currency

Need & Objectives ★★★

- Historical cost assumes a stable monetary unit — false in inflation
- **Problems:** depreciation on old costs is too low → profits overstated; assets understated; dividends and taxes paid out of capital (capital erosion); misleading ratios (ROI inflated); poor comparability over years
- **Objectives:** show real profit and real financial position, maintain capital, realistic pricing and dividend policy, meaningful comparison, protect stakeholders
- **Ind AS 29** requires restatement only for **hyperinflationary economies** (cumulative three-year inflation near or over 100%)

Monetary & Non-monetary Items ★★★

- **Monetary items** — claims fixed in money (cash, receivables, payables, loans)
- **Non-monetary items** — real assets whose money value changes (stock, fixed assets, equity)
- **Monetary gain/loss** — arises on holding monetary items during inflation; computed in CPP
- Example: holding cash ₹50,000 while index rises 100 → 120 = purchasing power loss ₹10,000

Methods of Inflation Accounting ★★★

- **Current Purchasing Power (CPP)** — restates historical figures by a **general price index**; maintains financial capital in constant purchasing power (UK PSSAP 7, 1974). Merits: simple, objective index; shows monetary gain/loss. Limits: general index may not reflect specific asset prices
- **Current Cost Accounting (CCA)** — uses **specific prices** (current replacement cost) of assets; maintains operating capability (Sandilands Committee 1975; SSAP 16, 1980). Adjustments: **depreciation adjustment**, **cost of sales adjustment (COSA)**, **monetary working capital adjustment (MWCA)**, **gearing adjustment**
- **Hybrid / mixed method** — CCA with general index for some items
- **Replacement cost, current value, NRV-based** approaches
- In India: ICAI guidance note on accounting for changing prices (voluntary); few companies disclose

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Comparison ★★★

Basis	CPP	CCA
Index	General price index	Specific price changes
Capital concept	Financial (purchasing power)	Physical (operating capability)
Unit	Current rupee	Nominal rupee
Monetary items	Gain/loss shown	MWCA and gearing adjustment
Objectivity	High	Lower (valuations)

Functional Currency ★★★

- **Functional currency** — currency of the primary economic environment in which the entity operates (Ind AS 21)
- **Primary indicators:** currency that mainly influences sales prices; currency of the country whose competition and regulation determine prices; currency that influences labour, material and other costs
- **Secondary indicators:** currency of financing (debt/equity) and in which operating receipts are retained
- **Foreign operation indicators:** autonomy from parent, proportion of transactions with parent, cash flows, financing
- **Presentation currency** — currency in which statements are presented (may differ)
- Change in functional currency applied prospectively

Methods of Translation ★★★

- **Current/non-current method** — current items at closing rate; non-current at historical rate
- **Monetary/non-monetary method** — monetary at closing; non-monetary at historical
- **Temporal method** — items carried at past prices at historical rate; at current values at closing rate (like monetary/non-monetary but considers fair values) — used for integral operations
- **Current rate (closing rate) method** — all assets and liabilities at closing rate; equity at historical; difference to reserve — used for independent foreign operations
- Old Indian **AS 11**: integral foreign operation (temporal) vs non-integral (closing rate); Ind AS 21 replaces this with the functional currency approach

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Solved Numericals & Illustrations (all units)

Identify the Concept/Convention

- Owner's private car not shown in firm's books → business entity
- Rent of March paid in April shown as outstanding → accrual
- Stock cost ₹50,000, NRV ₹45,000 → shown at ₹45,000 → conservatism
- Stapler bought for ₹200 expensed immediately → materiality
- Same depreciation method every year → consistency
- Contingent liability in notes → full disclosure

Ind AS Applicability

- Unlisted company, net worth ₹600 crore in 2015-16 → Ind AS from 2016-17 (Phase I)
- Listed SME with net worth ₹80 crore → Phase II (listed) unless on SME exchange (exempt)
- Unlisted company, net worth ₹100 crore → continues AS
- Subsidiary of a Phase I company → Ind AS applies

Which Approach?

- SEBI mandates BRSR → authoritarian + sociological
- Company chooses WDV because tax law uses it → pragmatic
- Standard requires lease assets on balance sheet for better prediction of obligations → predictive/decision-usefulness
- Study shows firms near covenant breach capitalise more costs → positive accounting theory

Syntactic, Semantic or Pragmatic?

- Checking that debits equal credits → syntactic
- Asking whether book value reflects real worth → semantic
- Testing whether investors react to a profit announcement → pragmatic
- Studying how bankers use ratios → pragmatic

Illustration 1 — Economic Income (Hicks)

Net worth 1 April ₹10,00,000; 31 March ₹11,00,000; consumption during year ₹50,000. Economic income = 11,00,000 − 10,00,000 + 50,000 = **₹1,50,000**.

Illustration 2 — Revenue Timing

- Goods dispatched 28 March on FOB shipping point; buyer pays in April → revenue in March
- Goods sent on approval, not yet accepted → no revenue
- Annual maintenance contract ₹1,20,000 received 1 Jan → ₹30,000 revenue by 31 March; ₹90,000 deferred
- Dividend declared on 20 March → income when right established

Illustration 1 — SYD

Cost ₹1,50,000, nil residual, life 5 years. SYD = 15. Year 1 = 5/15 × 1,50,000 = **₹50,000**; year 2 = **₹40,000**; year 3 = ₹30,000; year 4 = ₹20,000; year 5 = ₹10,000.

Illustration 2 — SLM vs WDV

Cost ₹1,10,000; residual ₹10,000; life 5 → SLM ₹20,000 p.a. WDV 20%: ₹22,000, ₹17,600, ₹14,080.

Illustration 3 – Inventory (FIFO & Weighted Average)

Purchases: 100 @ ₹10, 200 @ ₹12, 100 @ ₹13; issues 150 and 150 (after second purchase and after third). **FIFO** issues ₹1,600 and ₹1,800; closing 100 × 13 = **₹1,300**. **Weighted average (periodic)** ₹4,700 ÷ 400 = ₹11.75 → issues ₹3,525; closing **₹1,175**. **NRV check:** if closing units can be sold at ₹14 with ₹2.5 selling cost, NRV = ₹11.5 per unit → under FIFO write down to ₹1,150.

Illustration 1 – CPP Restatement

Plant bought for ₹1,00,000 when index was 100; current index 150. CPP value = 1,00,000 × 150/100 = **₹1,50,000**. Cash ₹50,000 held while index rose 100 → 120 → monetary loss = 50,000 × 120/100 − 50,000 = **₹10,000**.

Illustration 2 – COSA

Opening stock ₹20,000 (index 100), closing ₹30,000 (index 120), average index 110. Total change 10,000; volume change at average prices = 30,000 × 110/120 − 20,000 × 110/100 = 27,500 − 22,000 = 5,500. **COSA = 10,000 − 5,500 = ₹4,500** (price element, charged to P&L).

Illustration 3 – Ind AS 21 Transaction

Indian company (functional currency INR) imports goods for US$10,000 on 1 Feb when $1 = ₹83; year-end 31 March rate ₹84; paid on 15 April at ₹85. 1 Feb: Purchases Dr / Creditor Cr ₹8,30,000. 31 March: creditor (monetary) restated at ₹8,40,000 → exchange loss **₹10,000** to P&L. 15 April: paid ₹8,50,000 → further loss **₹10,000** in next year. Inventory (non-monetary) stays at ₹8,30,000.

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Practice Set with Answers

Cover the answer column, try each question yourself, then check.

#	Question	Answer
1	AICPA definition year?	1941.
2	AAA definition year?	1966.
3	Language of business?	Accounting.
4	Theory definition by?	Hendriksen.
5	ASOBAT year?	1966.
6	SATTA year?	1977.
7	Hicks' income?	Max consumption keeping wealth intact.
8	Psychic income?	Irving Fisher.
9	Accounting income approach?	Transactions approach.
10	Depreciation standard (Ind AS)?	Ind AS 16.
11	Indian GAAP standard?	AS 10 (revised).
12	Depreciable amount?	Cost − residual value.
13	CPP uses?	General price index.
14	CCA uses?	Specific prices.
15	CCA committee (UK)?	Sandilands (1975).

Common Mistakes to Avoid

- Mixing concepts with conventions
- No examples
- No scholar names
- Normative and positive confused
- No Hicks definition
- Equity theories without equations
- Calling depreciation valuation
- Change in method retrospective without stating standard
- CPP and CCA indices swapped
- Inventory treated as monetary

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Answer Plans — What to Write for Each Question

Q. Meaning & BK vs accounting
Definitions → functions → table.

Q. Concept of income
Accounting vs economic → table.

Q. Concepts & conventions
Lists with examples → difference.

Q. Income measurement
Approaches → capital maintenance.

Q. Accounting theory
Definition → role → need.

Q. Depreciation concept
Meaning → causes → need → limits.

Q. Classification
Structure + nature.

Q. Methods
Formulas → merits → choice factors.

Last-Minute Sheet — All Units

Definitions	AICPA 1941 · AAA 1966 · APB 4 (1970)
Concepts	Entity, money, going concern, period, cost, dual aspect, realisation, accrual, matching
Concept	Hendriksen · ASOBAT 1966 · SATTA 1977
Classification	Syntactic · semantic · pragmatic · descriptive vs normative
Income	Accounting (transactions) · economic (Hicks, Fisher) · capital maintenance
Capital	Financial vs physical · proprietary, entity, fund, residual equity, enterprise, commander
Depreciation	Ind AS 16 / AS 10 · allocation · cost − residual · Schedule II
Methods	SLM · WDV · SYD · units · annuity · sinking fund · depletion
Inflation	HC overstates profit · monetary vs non-monetary · Ind AS 29 hyperinflation
CPP / CCA	CPP: general index, monetary gain/loss · CCA: specific prices, dep/COSA/MWCA/gearing

Before you enter the exam hall: revise the mind map, the flowcharts and the formula sheet once more. Read the paper fully, draw labelled diagrams, box your answers, and keep 5 minutes for checking. **You have prepared well. All the best!** Team LUUPDATE

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