

41 Lecture - MGT401

Important Subjective

1. **What are events after the balance sheet date, and how are they treated in financial statements according to IAS-10?**

Answer: Events after the balance sheet date are events that occur between the balance sheet date and the date when the financial statements are authorized for issuance. According to IAS-10, these events should be considered for disclosure in the financial statements if they provide additional information about the company's financial position. If they result in adjustments to the financial statements, they should be reflected in the financial statements.

2. **Give an example of an event after the balance sheet date that may require disclosure in the financial statements.**

Answer: An example of an event after the balance sheet date that may require disclosure in the financial statements is a major litigation settlement that is agreed upon after the balance sheet date but before the financial statements are authorized for issuance. This event may have a significant impact on the company's financial position and may need to be disclosed in the financial statements.

3. **How should events after the balance sheet date that result in adjustments to the financial statements be treated according to IAS-10?**

Answer: If events after the balance sheet date result in adjustments to the financial statements, they should be reflected in the financial statements. The financial statements should be adjusted to reflect the impact of these events on the company's financial position.

4. **What is the cutoff date for considering events after the balance sheet date according to IAS-10?**

Answer: The cutoff date for considering events after the balance sheet date according to IAS-10 is the date when the financial statements are authorized for issuance.

5. **How should events after the balance sheet date that do not result in adjustments to the financial statements be disclosed according to IAS-10?**

Answer: Events after the balance sheet date that do not result in adjustments to the financial statements should be disclosed in the notes to the financial statements. The nature of the event, the estimated financial effect, and the date when the event occurred should be disclosed.

6. **What are the disclosure requirements for non-adjusting events after the balance sheet date according to IAS-10?**

Answer: The disclosure requirements for non-adjusting events after the balance sheet date according to IAS-10 include disclosing the nature of the event, the estimated financial effect, and the date when the event occurred in the notes to the financial statements.

7. **Can events after the balance sheet date be used to adjust the financial statements retrospectively?**

Answer: No, events after the balance sheet date cannot be used to adjust the financial statements retrospectively. They can only be used to adjust the financial statements for the period in which the event occurred.

8. **How should subsequent events that require disclosure in the financial statements be presented according to IAS-10?**

Answer: Subsequent events that require disclosure in the financial statements should be presented in the notes to the financial statements. They should be clearly disclosed, including the nature of the event, the estimated financial effect, and the date when the event occurred.

9. **Give an example of a subsequent event that requires disclosure in the financial statements according to IAS-10.**

Answer: An example of a subsequent event that requires disclosure in the financial statements according to IAS-10 is a significant business acquisition that is agreed upon after the balance sheet date but before the financial statements are authorized for issuance. This event may have a significant impact on the company's financial position and may need to be disclosed in the financial statements.

10. **What is the purpose of disclosing events after the balance sheet date in the financial statements according to IAS-10?**

Answer: The purpose of disclosing events after the balance sheet date in the