

AS 9 : REVENUE RECOGNITION



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REVENUE

RECOGNITION

➤ **Revenue Recognition Is An Accounting Principle Under Generally Accepted Accounting Principles (GAAP)**

REVENUE Is The Gross Inflow Of Cash, Receivables Or Other Consideration Arising In The Activities Of An Enterprise

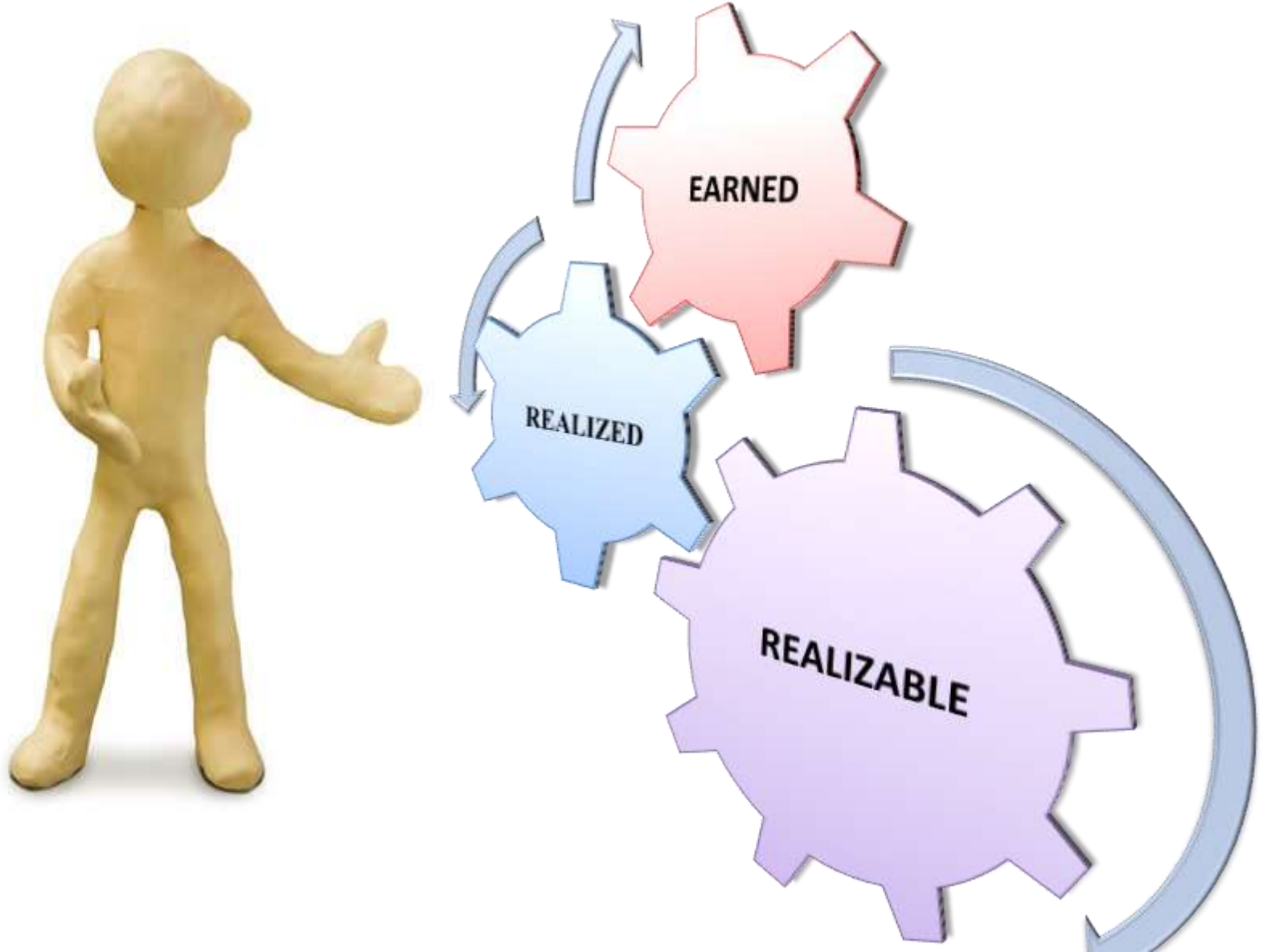
Recognition Is The Process Of

--> Recording An Item In The Financial Statements.

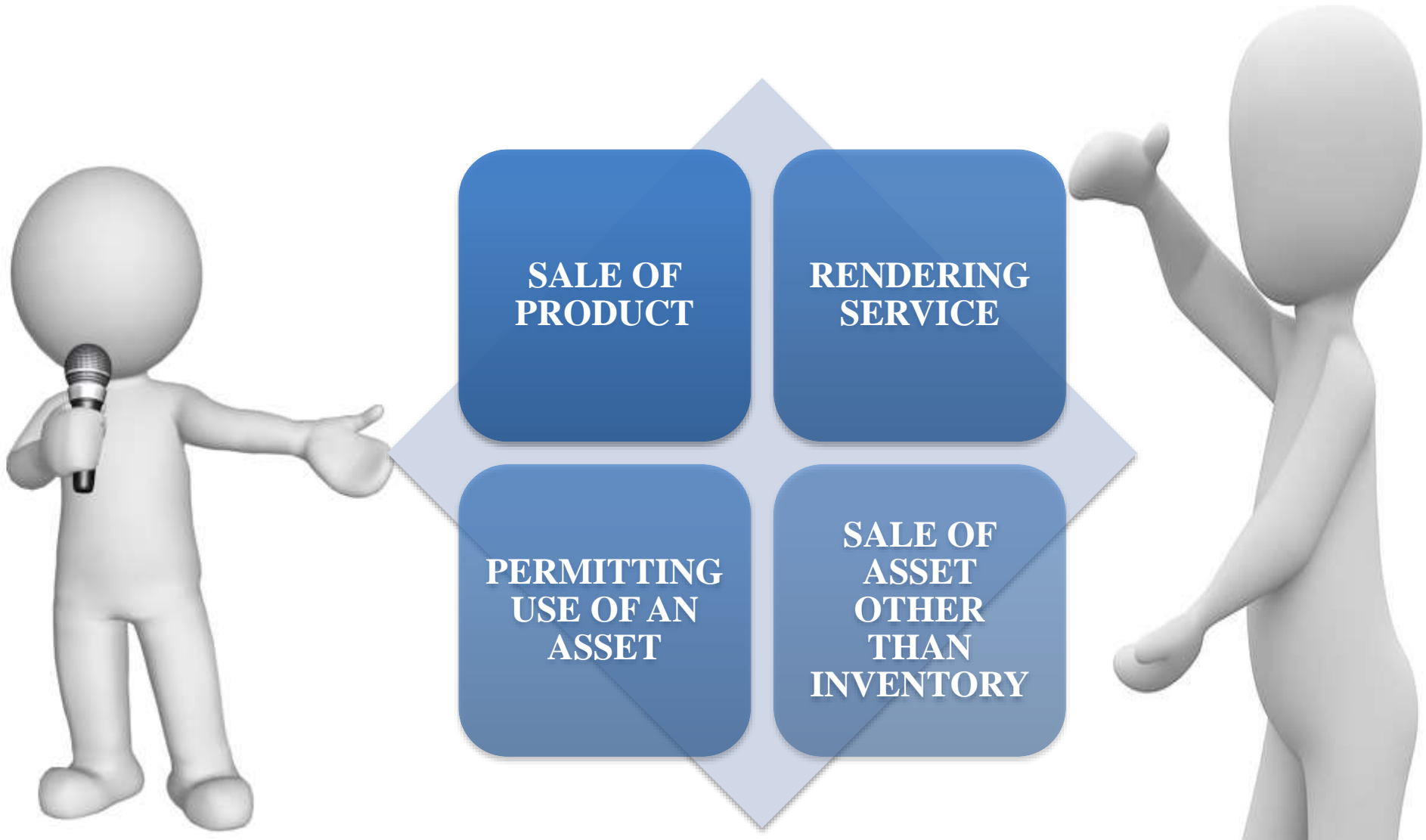


PRINCIPLES

REVENUE ARE RECOGNIZED WHEN THEY ARE :



TYPES OF REVENUE RECOGNITION TRANSACTIONS

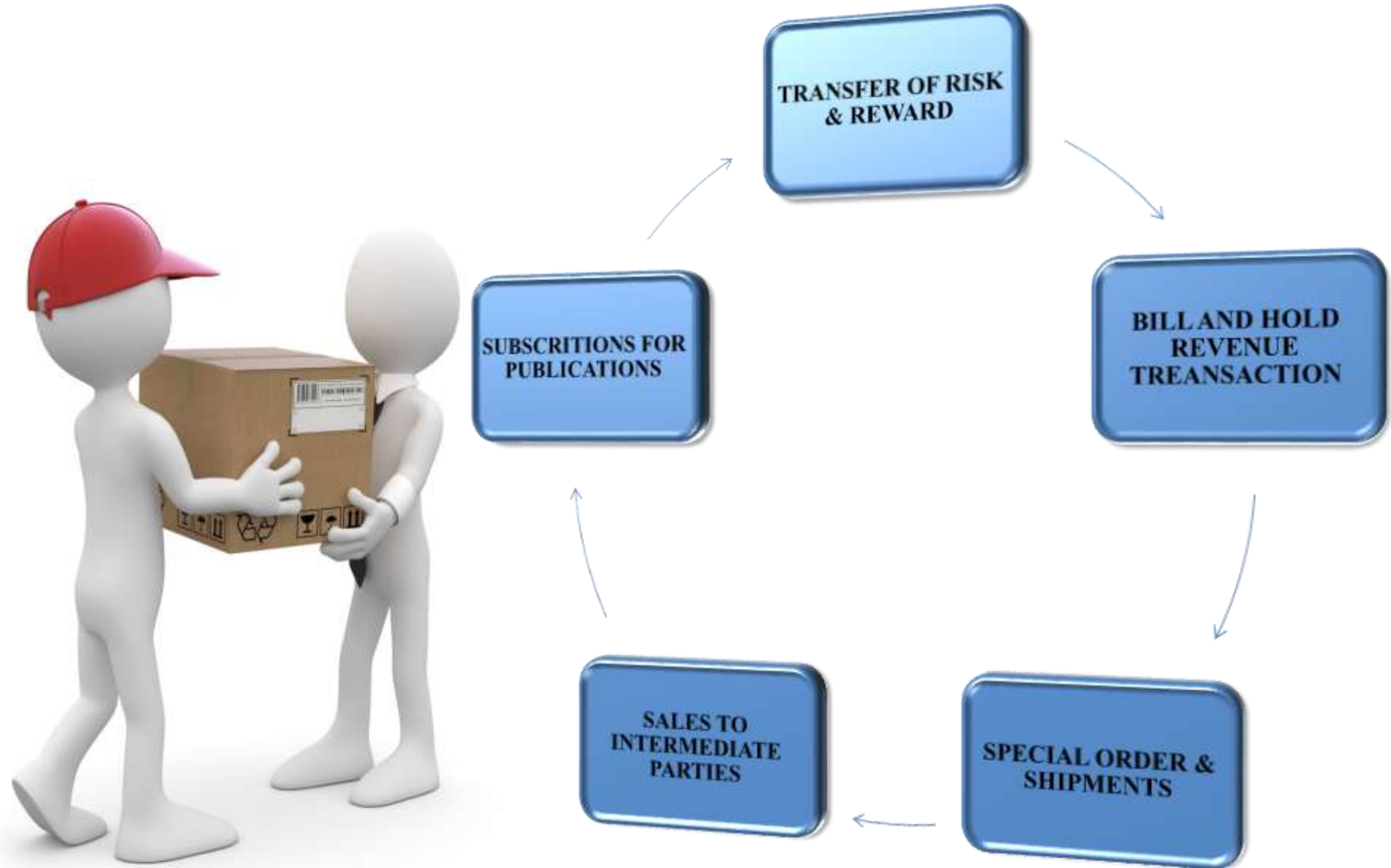


REVENUE MEASUREMENT

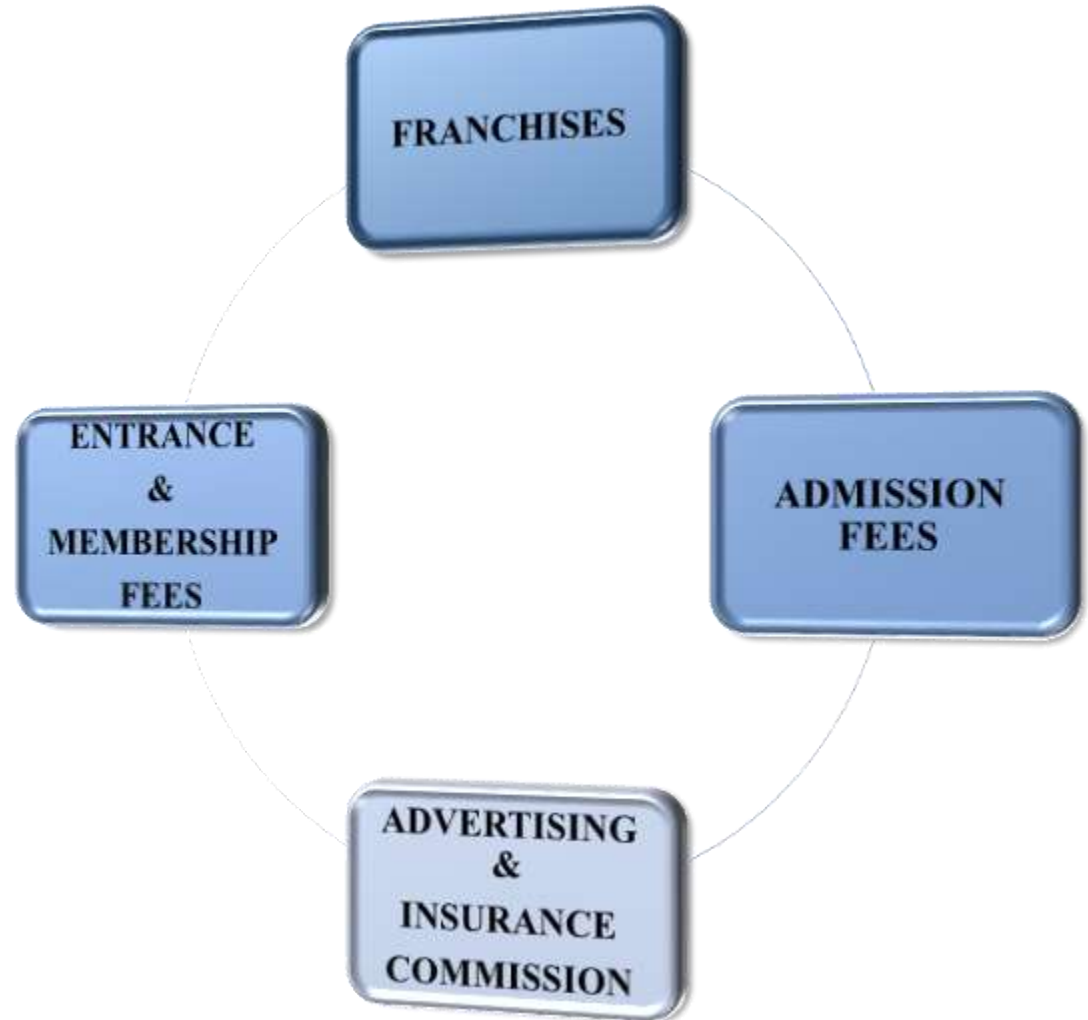
- CONSIDERATION IN THE FORM OF CASH
- CONSIDERATION IN THE FORM OF OTHER THAN CASH
- BARTER TRANSACTION



GENERATION OF SALES REVENUES



GENERATION OF SERVICES REVENUES



CAPITAL AND REVENUE ITEMS

➤ **TO DETERMINE WHICH ITEMS APPEAR IN WHICH FINANCIAL STATEMENT.**

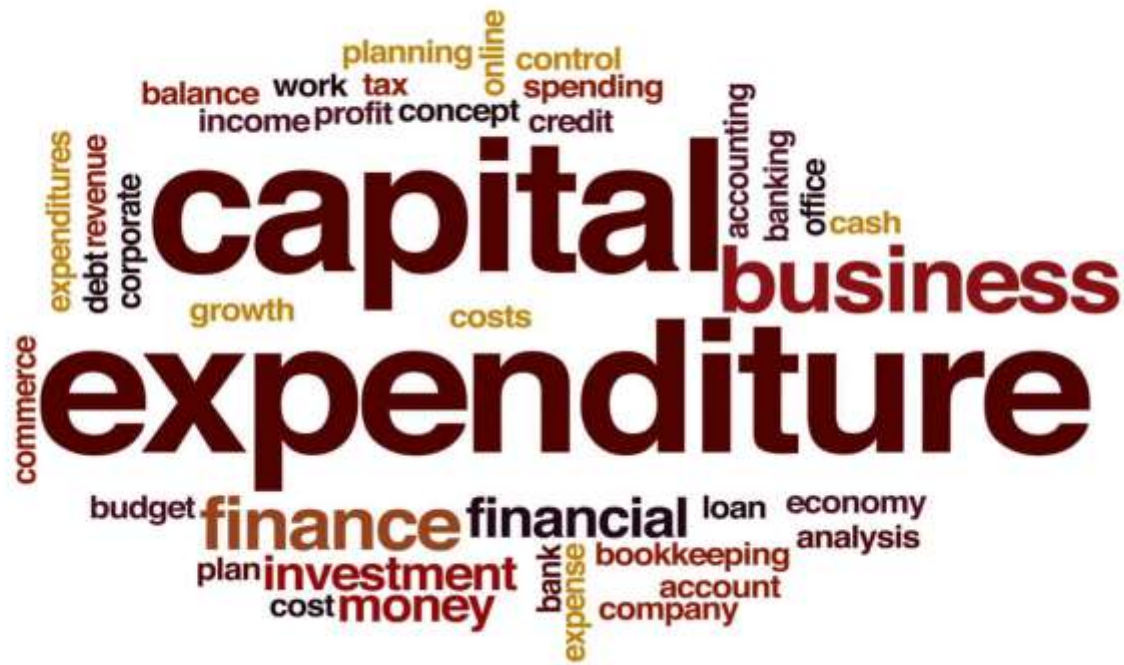
Revenue items - Profit And Loss Account

Capital Items - Balance Sheet



CLASSIFICATION OF EXPENDITURE





- **Purchase, Receipt Or Erection Of A Fixed Asset**
- **Improvement In Efficiency Of Fixed Asset.**
- **Obtaining Necessary Permission To Carry On Business.**
- **Legal Expenses**



REVENUE EXPENDITURE

Revenue Expenditure Is An Expenditure Incurred On Fixed Assets In Connection With Their 'Maintenance' Which Are:

- **Purchase of raw material & goods**
- **Maintaining of fixed asset.**
- **Depreciation of fixed assets.**
- **Day to day business activities.**



Deferred revenue expenditure

- **Expenditure Partly Or Wholly Paid In Advance**
- **Abnormal Losses**
- **Development Expenditure**
- **Production Costs**



Thank
you

