

INDEX

A

absences, compensated, 504

absorption (full) costing, defined, 128

accounting

for an investee capital transaction, 258–59

for assets purchased from a jointly controlled entity, 271

for barter transactions, 521–22

for business combinations at the acquisition date, 777

for business combinations under the acquisition method, 294–96

changes for tax purposes, reporting effect of, 773

changes in interim periods, 890

consolidation, 285

curricula, IFRS-based, 11

for discontinuance of the equity method, 257–58

estimates, changes in, 118–19

estimates and errors, changes in, 970–73

for finance lease—asset ownership transferred to lessee and fair market value of leased asset lower than present value of minimum lease payments, 574–75

for finance lease—asset returned to lessor at termination, 572–74

for intercompany transactions, 255–56

for inventories, 133

for investments in joint ventures, 267–69

for joint arrangements, reconsideration of, 278

for land and building lease containing transfer of title, 600

for land and building lease without transfer of title or bargain purchase option, 600–601

for leases, 569–71

for leases in a business combination, 604–5

for leases—lessee, 569

for leases—lessor, 575–76

for leveraged buyouts, 360–61

model, 30

for multiple-element revenue arrangements, 522

for pension and other benefit plan costs, 480–81

principles, 867–68

profit, 757

for purchase business combinations after the acquisition, 778

risk, 2

sale and leaseback, 565

for special-purpose entities, 359

for sublease, 606–7

for transactions between venture partner and jointly controlled entity, 269–71

accounting policies

application of, 876–78

change in, 109

consistency of, 259

disclosure, 730

Accounting Regulation Committee (ARC), 12

accounting standards, options with and within the, 957

Accounting Standards Board of Japan, 13

accounts receivable, 647

accrual basis of accounting, 42

accrued benefit obligation, 475

valuation methods, 475

accrued pension cost, 475

accrued postretirement benefit obligation, 475

accumulated depreciation

at date of revaluation, methods of adjusting, 166–67

defined, 149

acquiree, 285

acquirer, 285

acquiree awards without the obligation to do so, replacing, 322

obligated to replace acquiree awards, 322–28

acquisition(s)

date, 285

date preceding closing date, 297

and disposals of subsidiaries and other business units, 101

of interest in residual value, 606

method, 285, 313

related costs, 285, 311

reverse, 289, 361–67

transaction—goodwill, 328–30

active market, 207, 739, 844

actual return on plan assets, 500

actuarial gains and losses, 475

to the extent recognized, 487–88

actuarial present value, 475

of promised retirement benefits, 835

actuarial valuation, 476

adjustments

at interim dates, foreign currency translation, 889

to previously reported interim data, 889

agency relationships, 370

aggregating items, 85

aging the accounts, 647

agricultural activity, 844

agricultural land, 844

agricultural produce (measurement), 844

agriculture, 1041–43

allowances for bad debts or other credit losses, 729

amendments

effective during 2012, 756–57

effective in current period, 614

to IAS 39 adopted in 2008, 734–35

American Institute of Certified Public Accountants (AICPA), 4–5, 27

amortization, 207, 476

amortization period, 222–24

Amortized Cost and Impairment of Financial Assets, 646

amortized cost of financial asset or financial liability, 647

Analyst Representative Group (ARG), 8

Anglo-Saxon standard-setting model, 5

annual costs incurred unevenly during the year, recognition of, 882–83

annual effective tax rate, estimated, 874

antidilution, 790

applicability, 727

exceptions to, 726–27

Applying IFRS for SMEs, 14

ARC. See Accounting Regulation Committee (ARC)

ARG. See Analyst Representative Group (ARG)

assessment and recognition of loan impairment, 690–91

asset

ceiling, 476

defined, 519

for the liability, no corresponding, 747

measurements, valuation premise for, 745–46

assets, 285

acquirer plans to idle or to use in a way that is different from the way other market participants would use them, 314

- bearer biological, 844
 carried at fair value, 778–79
 classification of, 64–66
 defined, 32, 59, 207
 exploration and evaluation, 856
 held for sale, defined, 149
 identifiable, 808
 impairments of, 1028–30
 initial recognition of self-constructed, 155
 subject to IFRS 6 categorization, 858–59
 subject to operating leases in which the acquiree is the lessee, 314
 subject to operating leases in which the acquiree is the lessor, 314
 transferred from customers, 187–88
 with uncertain cash flows (valuation allowances), 313
- assignment, 647**
 of receivables, 653–54
- associate(s)**
 company, investment in, 780
 defined, 247
 investments in, 992–93
- attribution, 476**
- authorization date, 440**
- available-for-sale financial assets, 647**
- B**
- back charges, 537**
- bad debts or other credit losses, allowances for, 729**
- bargain purchase option (BPO), 562**
- bargain purchases, 285, 308–9**
 gain from a, 331–33
 goodwill and gain from a, 328–30
- barter transactions, accounting for, 521–22**
- Basel Committee on Banking Supervision, 7**
- basic earnings per share, 790**
- basis of presentation, 1031**
- bearer biological assets, 844**
- benefit obligation**
 accrued, 475
 accrued postretirement, 475
 interest on the accrued, 485
 projected, 479
- benefits**
 net assets available for, 836
 paid, 499–500
 retroactive, 479
 vested, 836
- benefit valuation methods**
 accrued, 475
 projected, 479
- biological assets, 844**
 bearer, 844
 group of, 845
- immature, 845
 mature, 845
- biological transformation, 844**
- bonus payments, 456**
- borrowing costs, 954**
- BPO. See bargain purchase option (BPO)**
- business, 285**
- business acquisition, temporary differences in, 777**
- business combination(s)**
 achieved in stages (step acquisitions), 333
 under the acquisition method, accounting for, 294–96
 after the acquisition, accounting for purchase, 778
 and consolidations, 289–91
 defined, 286, 291–313, 497
 disclosure checklist, 946–49, 1023–27
 revising estimate of tax benefit realizability in, 778
 techniques for structuring, 294
 transaction, determining what is part of the, 317–18
 transactions and events accounted for as, 292
- buyouts, accounting for leveraged, 360–61**
- by-products, defined, 128**
- C**
- call price, 790**
- capital, donated, 386–87**
- capitalization**
 of borrowing costs, 198–202
 of borrowing costs, determining time period for, 202–3
 suspension and cessation of, 203
- capital structure**
 complex, 796–97
 simple, 792–96
- career-average-pay formula (career-average-pay plan), 476**
- carrying amount, 207, 236, 247, 265**
- carrying amount (book value), 149, 197**
- carrying amount (value), 647, 844**
- cash**
 and cash equivalents, 94–95
 defined, 65–66, 92, 647, 651–52
 on delivery sales, 517
 dividends, 389–90
 equivalents, 92, 647
- cash flow(s)**
 benefits of statement of, 92–94
 classifications in the statement of, 95–96
 consolidated statement of, 105–6
 from operating activities, reporting, 97–99
 per share, 100
- cash-generating unit(s)**
 defined, 149, 171, 207
 for exploration and evaluation assets, 857–58
- cash-settled share-based payment transactions, 402, 418–19**
- categories of income, multiplicity of taxing jurisdictions and different, 884**
- cedant, defined, 863**
- change(s)**
 in accounting estimate, 109
 in accounting estimates and errors, 970–73
 in accounting policies, 970–73
 in accounting policy, 109, 113–18
 affecting the entity, 48
 of plans, 182
- changed circumstances, effect of, 771–75**
- chief operating decision maker, 808**
- CIF. See cost, insurance, and freight (CIF)**
- CIF (cost, insurance, and freight), defined, 130**
- CIP. See construction-in-progress (CIP)**
- claims, 532**
- classes of financial instruments and level of disclosure, 727–28**
- close members of the family of an individual, 824**
- closing date, 286**
- closing rate, 614**
- collateral, 728–29**
- and other credit enhancements, 733**
- combining (grouping) contracts, 532**
- commercial substance, 149, 186**
- common costs, 808**
- common dollar reporting, 912**
- comparability, 31, 111**
- comparative**
 amounts of the preceding period, reporting, 47–48
 financial statements, 928
 information, 43–44, 954–55, 977
 interim financial statements, 881–82
- compensated absences, 456**
- compensation, 824, 831**
- complex capital structure, 796–97**
- component**
 of an entity, 149
 of an equity, 75
 depreciation, 149
- compound and convertible equity instruments, 387–88**
- compound financial instrument(s)**
 disclosure checklist, 952–53
 at issuance, tax effects of, 780–81
 in subsequent periods, tax effects of, 781
 tax effects of, 780

- compound instruments, 648, 729**
- comprehensive**
 - example, 499
 - income, 74
 - income, statement of, 849–50
- computational guidelines, 792**
- computations of basic and diluted earnings per share, 802–3**
- computer software costs, recognition of internally generated, 215–17**
- concepts (financial instruments), 651–55**
- concepts, rules, and examples, 792–804**
- concepts and requirements under IFRS 8, 809–14**
- Conceptual Framework Project, 32–33**
- consideration of new information obtained during the measurement period, 309–11**
- consideration transferred, 286**
- consignment(s)**
 - arrangement, 131
 - defined, 128
 - sales, 131, 517
- consistency, 876–77**
- consistency of accounting policies, 259**
- consolidated financial statements**
 - business combinations, 286, 313–58, 368–70
 - defined, 247, 265
 - with noncontrolling interests, 343–44
 - temporary differences in, 778
- consolidated reporting requirement, 877**
- consolidation procedures, 342–43**
- consolidation process**
 - noncontrolling interest measured at fair value, 344–48
 - noncontrolling interest measured at the noncontrolling interest's proportionate share of the acquiree's net assets, 348–58
- constant dollar accounting, 912**
- construction contracts, 532, 1022**
- construction-in-progress (CIP), 532**
- construction of real estate, agreements for, 543–44**
- constructive obligation(s), 440–41, 469–70**
- consumable biological assets, 844**
- Continental European countries, 27**
- contingencies, interim reporting of, 889–90**
- contingency, 286**
- contingent**
 - asset(s), 441, 462, 469, 975–76
 - consideration, 286
- events, assessing likelihood of, 458
 - issuances of ordinary shares, 800–801
 - liabilities, 457–59, 468–69, 975–76
 - liability, defined, 441
 - losses, remote, 458
 - payments to employees, 321–22
 - payments to employees or former owners of the acquiree, 319–21
 - rentals, 562
- contract(s)**
 - acquisition costs, 546
 - cannot be estimated reliably, 538
 - combining and segmenting, 542–43
 - costs, 532, 534–36
 - not recoverable due to uncertainties, 538–39
 - losses, recognition of expected, 541–42
 - revenue, 532
 - revenue and expenses, recognition of, 538
 - segmenting, 533
 - which may be settled in shares or for cash, 801–2
- contractual stipulation for additional asset—separate contract, 543**
- contributed capital (transactions, additional), 385–86**
- contributory plan, 476**
- control**
 - defined, 248, 265, 286, 368–69, 648, 824
 - without holding a majority of the voting rights, 369
- conversion, 614**
 - price, 790
 - rate, 790
 - value, 791
- convertible debt instruments, 659–63**
- cooperative entities, members' shares in, 392**
- corporate assets, 149, 172–73, 207, 808**
- corporate expenses, 808**
- cost(s)**
 - approach, 739, 751
 - borrowing, 954
 - capitalization, development, 221
 - common, 808
 - to complete, estimated, 536
 - deemed, 949–51, 985
 - defined, 149, 207, 236, 248, 265
 - development, 959
 - of disposal, 150
 - in excess of recoverable amounts, 203
 - of goods sold, 81–83
 - incurred subsequent to purchase or self-construction, 155–56
 - initial direct, 563
 - of intangibles, measuring, 211–12
 - of inventory, average, 140
 - method, 248, 266, 286
 - model, 219, 244
 - not satisfying IAS 38 recognition criteria, 217–18
 - of property, plant, and equipment, decommissioning liabilities included in the, 953
 - provision for restructuring, 453–54
 - to sell, defined, 150
 - subcontractor, 537
- cost, insurance, and freight (CIF), 130**
- cost financial reporting, why inflation undermines historical, 914–15**
- costing adjustments to depreciation and cost of sales, current, 922–23**
- costing problems, inventory, 921**
- cost or-revaluation models, 859**
- cost-plus contract, 532**
- cost-plus-fixed-fee contract, 537**
- cost-without-fee contract, 537**
- creator (or sponsor) of SPE, 286**
- credit risk, 725**
 - defined, 648
 - disclosures, 733
 - reflected in measurement of revenue, customer's, 546
- cumulative translation differences, 951–52**
- currency of monetary items comprising net investment in foreign operations, 639–41**
- currency risk, 725**
- current assets, 64, 150, 648**
- current cost, 32**
- current cost accounting, 912**
 - purchasing power gains or losses in the context of, 923–24
- current cost financial statements under hyperinflation conditions, restating, 927–28**
- current costing adjustments to depreciation and cost of sales, 922–23**
- current costs, determining, 920**
- current liabilities, 66–67, 441**
- current/noncurrent distinction, 978–79**
- current service cost, 476**
- current tax expense (benefit), 757**
- current value, alternative concepts of, 163–67**
- current value models and proposals, 917–18**
- curtailment(s), 476, 490**
 - or settlements, effects of any, 489
- customer loyalty credits, sales involving, 522–24**

D

- date of transition to IFRS, 936**
- debt, extinguishment of, 671**
- debt exchange or restructuring**
with gain deferral, 674–76
with gain recognition, 674
- debt instruments**
with contingent settlement provisions, 663–64
induced conversion of, 663
issued with share warrants, 663
substantial modification of the terms of existing, 673–74
- decommissioning costs, 454**
changes in, 155
defined, 150
- decommissioning liabilities included in the cost of property, plant, and equipment, 953**
- deductible temporary differences, 757**
- deemed cost, 936, 949–51, 985**
- defaults and breaches, 729**
- deferred shares, 395**
- deferred tax(es), 242**
complex case ignoring, 252–54
effects, 176–77
effects of revaluations, 167
expense (benefit), 757
liabilities and assets, 1006–7
liability, 757
simple ignoring, 251–52
- deferred tax asset(s), 757**
with a change in rates, computation of a, 771
is realizable, determining the extent to which, 770
tax-planning opportunities to help realize, 768–69
- deferred tax assets and liabilities**
calculation and measurement of, 764–65
calculation of, 760–75
tax law changes and the effects on previously recorded, 771–72
- defined benefit obligation, present value of, 477**
- defined benefit pension plan, 476, 838–40**
- defined, 835**
periodic measurement of cost for, 483–84
- defined contribution pension plan, 476, 835–37**
periodic measurement of cost for, 482–83
- definition of terms**
accounting and reporting by retirement benefit plans, 835–36
accounting for insurance contracts, 863–64
accounting policies, 109–10
agriculture, 844–45
borrowing costs, 197–98
business combination and consolidated financial statements, 285–89
construction contract accounting, 532–33
current liabilities, provisions, contingencies, and events after the reporting period, 440–42
earnings per share, 790–92
employee benefits, 475–79
extractive industries, 856
fair value, 739–40
financial instruments, 647–51
financial statement presentation, 38–39
first-time adoption of IFRS, 936
foreign currency, 614–15
government grants, 551
income taxes, 757
inflation and hyperinflation, 912–14
intangible assets, 207–8
interests in associates, 247–48
interests in joint ventures, 265–67
interim financial reporting, 874
inventory, 128–29
investment property, 236
leases, 562–65
operating segments, 808–9
property, plant and equipment, 149–51
related-party disclosures, 824–25
revenue recognition, including construction contracts, 512
share-based payment, 402–4
shareholders equity, 374
statement of cash flows, 92
statement of financial position, 59–60
statement of profit or loss, 74–75
- denominator, 792**
- deposit component, defined, 863**
- depreciable amount, defined, 150, 207**
- depreciation**
and amortization in interim periods, 886
defined, 150
of leased assets, 571–72
partial-year, 158–59
of property, plant, and equipment, 156–57
replacement method, 159
retirement method, 159
revenue method, 160
tax methods, 161
- depreciation method(s)**
based on actual physical use, 159
based on time, 157–58
defined, 150
- derecognition**
defined, 178–79, 226, 648
of financial assets, 667–70
of financial liabilities, 670–71
of financial liabilities, gain or loss on, 671
matters, certain, 728
of nonderivative financial assets and nonderivative financial liabilities (IAS 39), 945–46
- derivative(s)**
to be settled for cash, nonfinancial, 697
defined, 648, 684, 694–95
difficulty of identifying whether certain transactions involve, 696
embedded, 698–99, 870
interest rate swap *not* to be accounted for as, 696–97
interest rate swap to be accounted for as, 696
not to be settled for cash, 697
that are not based on financial instruments, 698
transaction, 695
transaction, apparent loans that qualify as, 695–96
- designation of previously recognized financial instruments, 953**
- development, defined, 207**
- development cost, accounting for revaluation of, 222**
- development costs, 959**
- differential, defined, 266**
- diluted earnings per share, 791**
- dilution, 791**
- dilution effects, 797–98**
- direct costing, 135**
- direct (variable) costing, defined, 128**
- direct financing leases, 581–83**
- direct insurance contract, defined, 863**
- direct method, defined, 92**
- direct pricing, 920**
- disaggregation**
by activities, 89–90
by different measurement bases, 70
by major activities, 70
into short-term and long-term subcategories, 70
- disclosure checkbox index, 965–66**
- disclosure checklist, 967–1043**
- disclosure issues**
inflation and hyperinflation, 928
other, 928
- disclosure requirements**
entity-wide, 816–21
under IAS 17, 588–92
under IFRS 6, 859
operating segments, 814–21
- disclosures**
acquisitions, 334–35
agriculture, 849–51
to be provided, 830
for biological assets where fair value cannot be measured reliably, additional, 1042

- business combination and consolidated financial statements, 313–35, 341
 - construction contract accounting, 544–45
 - construction contracts, 544–45
 - for contingent liabilities and contingent assets, 462–63
 - credit risk, 733
 - current liabilities, provisions, contingencies, and events after the reporting period, 451–52, 462–63
 - earnings per share, 803–4
 - employee benefits, 498–503, 505–8
 - examples of, 188–94
 - extractive industries, 859
 - fair value, 730–32, 752–53
 - financial instruments, 725–28, 730, 732
 - financial statement, 505–8, 828–29, 832–33
 - financial statement presentation, 48
 - first-time adoption of IFRS, 955–56
 - foreign currency, 635–36
 - government grants, 556
 - hedging, 730
 - income taxes, 782–87
 - insurance contracts, 870–71
 - intangible assets, 227–34
 - inventory, 142–44
 - investment properties, 243–46
 - joint ventures, interest in, 271–77
 - market risk, 734
 - need for related-party, 825–26
 - other, 880–81
 - of ownership interests, 259
 - of parent-subsidiary relationships, 829
 - postemployment benefit plans, 498–503
 - of property, plant, and equipment, 185–94
 - qualitative, 732
 - quantitative, 732
 - related-party, 973–75
 - relating to other equity, 378–79
 - relating to share capital, 375–78
 - retirement benefit plans, 840–41
 - share-based payments, 420–36
 - of share capital, 69
 - of share capital, defined, 69
 - shareholders' equity, 375–79, 393–94
 - statement of cash flows, 101–5
 - statement of profit or loss, 83
 - statements of comprehensive income and changes in equity, 729–30
- disclosures requirements**
- business combinations, 313–35, 341
 - by IAS 1, other, 48
 - under IAS 32, 666
 - by IFRS 7, 725–26
 - under IFRS 7, 724–25
 - intangible assets, 203
 - interest in joint venture, 271–77
 - inventory, 142–43
 - or recommended by IAS 7, 101–5
- discontinued operation(s), 83–84, 183–84**
- defined, 75, 150**
 - forthcoming changes in accounting for, 184
- discount rate, 171–72**
- adjustment for changes in, 455
- discretionary participation feature, defined, 863**
- Discussion Paper, extractive industry, 860**
- disposal group, defined, 150**
- distinction, current/noncurrent, 978–79**
- distributable (replicable) earnings, 912**
- dividends**
- cash, 389–90
 - and distributions, 389–90
 - paid, income tax consequences of, 775–77
 - payment of, 390–91
- donated capital, 386–87**
- dry-dock cost, 452–53**
- dual presentation, 711**
- E**
- earnings per share, 790, 1027–28**
- economic benefit**
- available as a reduction in future contributions, 496
 - available as refund, 495–96
- economic value, 918**
- economies which cease being hyperinflationary, 928**
- ED, Derecognition: Proposed Amendments to IAS 39 and IFRS 7, 645**
- effective date and transition provisions, 290–91**
- effective interest method, 648, 684**
- effective interest rate, 648**
- EFRAG. See European Financial Reporting Advisory Group (EFRAG)**
- embedded derivative(s), 648, 698–99, 870**
- separate contracts that cannot be deemed an, 699–700
- Emerging Markets and Technical Committees of the International Organization of Securities Commissions (IOSCO), 5–9**
- employee benefits, 951**
- defined benefit pension and other postretirement benefit programs, 1007–10
 - other benefit plans, 1010–11
- employees and others providing similar services, 402**
- employee share options, 407–9**
- with graded vesting characteristics and service conditions, 417
 - valuation models, 409–11
- employer's liability and assets, 491–94**
- Enron, 10**
- entity-wide disclosure requirements, 816**
- entry price, 739**
- environmental damage, unlawful, 453**
- EPS computation—simple capital structure, 795–96**
- equity**
- defined, 32, 60
 - instrument, 402, 648
 - instrument granted, 402
 - interests, 286
 - share-based payment transactions, 407–18
 - stockholders', 1013–14
- equity method**
- accounting, complications in applying, 250–51
 - accounting for a discontinuance of the, 257–58
 - of accounting for investments, 248–49
 - accounting for investments in associates, impact of potential voting interests on application of, 260
 - defined, 248, 266
 - investments, other-than-temporary impairment in value of, 259
 - as prescribed by IAS 28, 249–50
 - when is it required?, 250
- equity-settled share-based payment transaction, 402–3**
- equity-specific value, defined, 207**
- errors, correction of, 119–24**
- estimate, change in, 543**
- estimated cost to complete, 532**
- EU. See European Union (EU)**
- Euro-IFRS, 13**
- European Accounting Federation (FEE), 12**
- European Banking Federation, 13**
- European Central Bank, 13**
- European Commission, 6–7, 11–13**
- European Council of Ministers, 11**
- European employer organization (UNICE), 12**
- European Financial Reporting Advisory Group (EFRAG), 12–14, 20**
- Strategy for European Proactive Financial Reporting Activities*, 14
- European Parliament, 12**

European Union (EU)
IFRS and, 1, 4, 6, 11–14, 20
events after the date of the statement of financial position, 976
events and transactions, significant, 880
evidence of impairment, 687–88
exchange
 of assets, 155
 defined, 150
 difference, 614
 difference arising from
 elimination of intragroup balances, 632
 rate, 614
 transaction, boundaries of the, 300
exclusion of noncash transactions, 94
executory costs, 563
exemptions, identification of, 762–63
exercise price, 791
exit price, 739
exit value, 912–13
expected
 cash flow, 739
 long-term rate of return on plan assets, 477
 postretirement benefit obligation, 477
 return on plan assets, 477, 485–87
expenditures
 exploration and evaluation, 856
 subsequent, 238
expenses, defined, 74, 77
experience adjustments, 477
exploration and evaluation assets, 856
 cash-generating units for, 857–58
exploration and evaluation expenditures, 856
exploration and evaluation of mineral resources, 856–59
Exposure Draft, *Financial Instruments: Amortized Cost and Impairment*, 647
extinguishment of debt, 671
Extractive Industry Discussion Paper, 860
extraordinary items, 1018

F

factoring, 648
 of receivables, 654
fairness exception under IAS 1, 47
fair value, 913
 for accounting for insurance contracts, 864
 for business combinations, 286
 determining, 292, 847–48
 disclosures, 730–32, 752–53
 for employee benefits, 403
 for financial instruments, 648

 first-time adoption of IFRS, 936
 for foreign currency, 614
 for government grants, 551
 of a guarantee, 461–62
 highest and best use, 739
 income approaches, 739, 751
 inflation and hyperinflation, 913
 initial recognition, 751–52
 inputs, 739, 748
 for interests in associates, 248
 for interests in joint ventures, 266
 introduction, 737–38
 for investment property, 236, 238–40
 item identification and unit of account, 742
 of leased property, 563
 less costs to sell, 150, 169–70
 level 1 inputs, 739, 749
 level 2 inputs, 739, 749–50
 level 3 inputs, 739, 750
 market approaches, 739, 751
 market participants, 739–40, 743
 measure, inability to reliably, 240–41
 measurement considerations when transactions are not orderly, 744–45
 measurement of financial assets or financial liabilities at initial recognition, 953
 measurement principles and methodologies, 740–52
 measurements debate, 737–38
 model, disclosures applicable to investment property measured using, 243–44
 model and investment property, 241–42
 most advantageous market, 740
 for net exposures, 748
 observable inputs, 740
 of options using the binomial model, 412–13
 of options using the BSM model, 411–12
 principal or most advantageous market, 742–43
 for property, plant, and equipment, 150, 163
 for shared-based payment, 403, 477
 through profit and loss (FVTPL), 676–77
 through profit or loss (FVTPL), 648–49, 667
 valuation techniques, 750–51
fair value of leased property (FMV), 563
faithful representation, 31
FASB. See Financial Accounting Standards Board (FASB)
favorable contract, 287
FCAG. See Financial Crisis Advisory Group (FCAG)

FEE. See European Accounting Federation (FEE)
FIFO. See first-in, first-out (FIFO)
FIFO (LCNRV) method, 141
final-pay plan, 477
finance income, unearned, 565
finance leases, 563, 571, 577
 different types of, 568–69
Financial Accounting Standards Board (FASB)
 Discussion Paper, *Preliminary Views on Financial Statement Presentation*, 49
 FAS 34: *Capitalization of Interest Cost*, 198–99
 FAS 95: *Statement of Cash Flows*, 652
 FAS 130: *Reporting Comprehensive Income*, 37, 71
 FAS 131: *Disclosures about Segments of an Enterprise and Related Information*
 operating segments, 807
 FAS 141 (ASC 350): *Business Combinations*, 282
 FAS 150: *Accounting for Certain Financial Instruments with Characteristics of Both Liabilities and Equity*, 656
 FAS 157 (ASC 820): *Fair Value Measurements*, 284
 Financial Statement Presentation, 49, 71
 Framework, 36
 IFRS and, 4–5, 7–10, 12, 27
 Preliminary Views on Financial Statement Presentation, 49–50
 US FASB, 12
financial asset(s)
 defined, 648–49
 and liabilities, offsetting, 665–66
 or financial liabilities at initial recognition, fair value measurement of, 953
 or liability reported at fair value through profit or loss, 649
 that are either past due or impaired, 733
Financial Crisis Advisory Group (FCAG), 734
financial guarantee contracts, 459–61, 649, 864
financial instruments
 compound, 952–53
 designation of previously recognized, 953
 disclosure checklist, 996–1005, 1031
 and level of disclosure, classes of, 727–28
financial liability, 649
 with a demand feature, 748
financial report, interim, 874
financial reporting
 in hyperinflationary economies, 924–29

- IFRS-based, 11
 - importance of comparability and consistency in, 110–11
 - financial risk, 864**
 - Financial Services Agency of Japan (JFSA), 7**
 - financial statement(s), 39–40**
 - and basis of reporting,
 - identification of, 967–68
 - classification, 859
 - comparative, 928
 - complete set of, 45–46
 - for construction contract
 - accounting, 544–45
 - first IFRS, 936
 - general-purpose, 38
 - IFRS-based, 2
 - illustrative, 50–55
 - impact of key changes on the, 341–42
 - inflation and hyperinflation, 930–32
 - interim, 1036–39
 - and mutual entities, combined, 358–59
 - “Parent-only,” 33
 - purpose of, 40
 - financial statement(s), notes to**
 - accounting policies, 1035–36
 - disclosure checklist, 1034–36
 - notes, structure of, 1034–35
 - service concession arrangements, 1036
 - financial statement disclosures**
 - benefit plans, accounting and reporting registered, 828–29, 832–33
 - employee benefits, 505–8
 - examples of, 891–908
 - intangible assets, 229–34
 - interests in joint venture, 272–77
 - interim financial reporting, 891–908
 - inventory, 143–44
 - investment property, 245–46
 - shareholder equity, 393–94
 - financial statement presentation**
 - accounting policies, 46–47
 - accrual basis of accounting, 42
 - agriculture, 849–51
 - amendments effective during 2012, 38
 - changes affecting the entity, 48
 - comparative amounts of the preceding period, 47–48
 - comparative information, 43–44
 - definition of terms, 38–39
 - disclosures required by IAS 1, other, 48
 - fairness exception under IAS 1, 47
 - future developments, 49–50
 - general features, 40–44
 - under IFRS, 421–36
 - IFRS, fair presentation and compliance with, 40–44
 - impracticable, defined, 38
 - An Improved Conceptual Framework for Financial Reporting*, 44
 - introduction, 37–38
 - materiality and aggregation, 42
 - material omissions or misstatements, 39
 - offsetting, 42–43
 - other comprehensive income, 39
 - presentation, consistency of, 44
 - profit or loss, 39
 - reclassification adjustments, 39
 - reporting, frequency of, 43
 - requirements under IAS 11, 544
 - scope, 38
 - shareholder equity, 392–99
 - statement of compliance with IFRS, 46
 - structure and content, 45–48
 - total comprehensive income, 39
 - US GAAP comparison, 56
 - financing activities, defined, 92**
 - finished goods, 128**
 - finished goods inventory, 127–28**
 - firm commitment, 650**
 - firm purchase commitment, defined, 151**
 - first IFRS financial statements, 936**
 - first IFRS reporting period, 936**
 - first-in, first-out (FIFO)**
 - cost, 139
 - defined, 128, 137–38
 - LCNRV method, 141
 - using a lower of cost or net realizable approach, 139
 - first-time adopter of IFRS, 936**
 - first-time adoption by Meikles Group, 962–64**
 - first-time adoption of IFRS, 979–81**
 - fiscal periods of parent and subsidiary, different, 343**
 - fixed-price and cost-plus contracts, 537**
 - fixed-price contract, 532**
 - FMV. See fair value of leased property (FMV)**
 - FOB destination, defined, 130**
 - FOB shipping point, defined, 130**
 - footnote disclosure: acquisitions, 334–35**
 - foreign currency**
 - cash flows, 100
 - translation, 1022–23
 - translation adjustments at interim dates, 889
 - foreign entity, 615**
 - disposal of, 632
 - foreign operation, 615**
 - consolidation of, 625–31
 - inventory, reporting, 633–34
 - forgivable loans, 551**
 - forward contracts, 697–98**
 - French banks, 13**
 - (full) absorption costing, 135**
 - full IFRS, 10, 13–14, 21–24, 26**
 - functional currency, 615–18, 632**
 - functional pricing, 921**
 - fund, 477**
 - funding, 477, 836**
 - future contracts, 698**
 - future developments**
 - business combination and consolidated financial statements, 368–70
 - construction contract accounting, 545–46
 - current liabilities, provisions, contingencies, and events after the reporting period, 468–71
 - employee benefits, 508
 - extractive industries, 860–61
 - financial statement presentation, 49–50
 - and IFRS 9, 645–47
 - interests in associates, 261–62
 - interests in joint ventures, 278
 - leases, 593
 - operating segments, 871–72
 - revenue recognition, 545–46
 - statement of cash flows, 106
 - statement of financial position, 69–70
 - statement of profit or loss, 89–90
- G**
- GAAP. See Generally Accepted Accounting Principles (GAAP)**
 - gain from a bargain purchase, 287, 331–33**
 - gains and losses, 77, 477, 500–501**
 - on derecognition of financial liabilities, 671**
 - from fair value hedges, 700–704
 - holding, 913
 - on net monetary items, 913
 - purchasing power, 913–14
 - realized holding, 914
 - unrealized holding, 914
 - GATT. See General Agreement on Tariffs and Trade (GATT)**
 - General Agreement on Tariffs and Trade (GATT), 613**
 - general concepts, 882**
 - general corporate expenses, 808**
 - general features, 40–44**
 - Generally Accepted Accounting Principles (GAAP)**
 - hierarchy of, 112
 - previous, 936
 - General Purpose Financial Statements, 30–31**
 - global financial crisis (2008-2009), 645**
 - Global Preparers Forum (GPF), 8**
 - going concern, 978**
 - goods in transit**
 - defined, 128

examples of accounting for, 131
goods or services, identification of separate performance obligations for distinct, 546
goodwill
 defined, 207, 248, 266, 287
 and fair value adjustments, 632
 and gain from a bargain purchase, 328
 impairment of, 330–31
 internally generated, 212–13
 noncontrolling interest measured at fair value, recognizing, 307
 noncontrolling interest measured at the noncontrolling interest's proportionate share of the acquiree's net assets, recognizing, 307–8
 or gain from a bargain purchase, recognize and measure, 306–7
 reversal of previously recognized impairment of, 331
government, defined, 551, 824
government assistance, 551, 557
government-related entity (entities), 824, 831–32
GPF. See Global Preparers Forum (GPF)
grant date, 403
grants
 government, 549–59, 852, 1043
 nonmonetary, 555
 related to assets, 551
 related to comprehensive income, presentation of, 556
 related to income, 551
 repayment of, 557
gross profit method, defined, 128
gross vs. net basis, 100
group, 287, 615
group (or composite) method, 160
group of biological assets, 845
guaranteed benefits, 864
guaranteed element, 864

H

harvest, 845
hedged item, 650
hedge (hedges) (hedging)
 about, 636–41, 650
 accounting (IAS 39), 946
 accounting for gains and losses from, 700–704
 accounting under IAS 39, 700
 activities, 694
 disclosures, 730
 effectiveness, 650
 of foreign currency transactions, 638–39
 a future purchase of inventory, options to, 712–16
 instrument, 650
 on a “net” basis and “macrohedging,” 718

of a net investment in a foreign operation, 636–38, 716–18
 partial term, 718
held-for-sale classification, 180–81
held-to-maturity
 classification, constraints on use of, 677–78
 investments, 650
 investments disposed of before maturity, 678–80
hierarchy of GAAP, 112
highest and best use, 739
highly probable, defined, 151
historical cost, 32
historical cost financial reporting, why inflation undermines, 914–15
holding gains/losses, 913
hyperinflation, 913, 954
hyperinflationary
 conditions, restating current cost financial statements under, 927–28
 economies, financial reporting in, 924–29
 economies, interim financial reporting in, 891
 economies which cease being, 928

I

IAS. See International Accounting Standards (IAS)
IASB. See International Accounting Standards Board (IASB)
IASB Insurance Project, Phase II of the, 371–72
IASB Project: Consolidation, 368–70
IASC. See International Accounting Standards Committee (IASC)
IASB amendments effective during 2011, 73–74
IAS standards. See International Financial Reporting Standards (IAS/IFRS)
ICAEW. See Institute of Chartered Accountants in England and Wales (ICAEW)
identifiable asset(s), 287, 808
 acquired and liabilities assumed, classify or designate, 302
 acquired and liabilities assumed, recognizing and measuring the, 313
identifiable intangibles recognized separately from goodwill, 314–15
identification, 513–14, 757–58, 809
IFAC. See International Federation of Accountants (IFAC)
if-converted method, 791, 799–800
IFRIC. See International Financial Reporting Interpretations Committee (IFRIC)
IFRS. See International Financial Reporting Standards (IFRS)
IFRS standards. See International Financial Reporting Standards (IAS/IFRS)
immature biological assets, 845
impairment(s), 168–78
 accounting for, 173–74
 of assets, 1028–30
 of assets in interim periods, 890–91
 of financial assets carried at amortized cost, 688–90
 of financial assets carried at cost, 691
 of financial assets carried at fair value, 691–92
 general concerns, 687
 under historical cost method of accounting, reversals of previously recognized, 174–75
 identifying, 168–69
 of investments, 692
 loss(es), 151, 207, 225–26
 mitigated by recoveries or compensation from third parties, 177–78
 under revaluation method of accounting, reversals of previously recognized, 175–76
 test, 151
 testing of reinsurance assets, 867
 and uncollectibility, 687–94
Implementation Guidance Committee (IGC), 644
impracticability exception, 123–24
impracticable, defined, 38, 109
An Improved Conceptual Framework for Financial Reporting, 44
incentive payments, 533
income
 approaches, 739, 751
 defined, 74, 76–77
 measuring under the replacement cost approach, 920–24
 statement, minimum disclosures on the face of the, 1014–15
 taxes, 884, 1016–18
 tax expense, 83
 total comprehensive, 39
incurred costs, subsequently, 218–19
indexation, 920
indirect (reconciliation) method, defined, 92
induced conversion of debt instruments, 663
inflation accounting
 experiments and proposals for, 916
 historical review of, 914

- influence, significant, 825**
- initial direct costs, 563**
- initial recognition, 155, 751–52**
- inputs, 739, 748**
- installment sale, under which the consideration is receivable in installments, 517**
- Institute of Chartered Accountants in England and Wales (ICAEW), 4**
- insurance asset, 864**
- insurance contracts**
- agriculture, 864–66
 - disclosure checklist, 983–85, 1039–40
 - discretionary participation features in, 870
- insurance contracts (IFRS 4), 949**
- insurance liability, 864, 866–67**
- insurance risk, 864**
- insured event, 864**
- insurer, 864**
- intangible asset(s)**
- active market, defined, 207
 - amortization, defined, 207
 - amortization period, 222–24
 - artistic-related, 316
 - asset, defined, 207
 - carrying amount, defined, 207
 - cash-generating unit, defined, 207
 - class of, 228
 - computer software costs, internally generated, 215–17
 - contract-based, 316
 - corporate assets, defined, 207
 - cost, defined, 207
 - cost capitalization, example of development, 221
 - cost model, 219
 - cost of intangibles, measuring, 211–12
 - costs not satisfying IAS 38 recognition criteria, 217–18
 - customer-related, 315
 - defined, 151, 206–7, 287, 587
 - definition of terms, 207–8
 - depreciable amount, defined, 207
 - derecognition of, 226
 - development, defined, 207
 - development cost, revaluation of, 222
 - disclosure checklist, 989–90
 - disclosures, 227–34
 - equity-specific value, defined, 207
 - fair value, defined, 207
 - financial statement disclosure, examples of, 229–34
 - goodwill, defined, 207
 - goodwill, internally generated, 212–13
 - impairment loss, defined, 207
 - impairment losses, 225–26
 - incurred costs, subsequently, 218–19
 - intangibles other than goodwill, internally generated, 213–15
 - introduction, 205–6
 - marketing-related, 315
 - monetary assets, defined, 208
 - net selling price, defined, 208
 - nonmonetary transactions, defined, 208
 - nonreciprocal transfer, defined, 208
 - recoverable amount, defined, 208
 - related to agriculture, 851–52
 - research, defined, 208
 - residual value, 208, 224–25
 - revaluation model, 219
 - revaluation of, 220–21
 - revaluation of development cost, 222
 - scope, 206–7
 - tangible assets, nature of, 209
 - technology-based, 317
 - useful life, defined, 208
 - US GAAP comparison, 234
 - web site development and operating costs, 226–27
- intangibles other than goodwill, internally generated, 213–15**
- intercompany**
- profit on property, plant, and equipment, eliminating, 256
 - transactions and balances, 342–43
 - transactions between investor and investee, 254–55
- interest cost, 495**
- component (of net periodic pension cost), 477
- interest rate risk, 725**
- managed on a net basis should be designated as hedge of gross exposure, 718–24
- interest rate swap**
- to be accounted for as a derivative, 696
 - not to be accounted for as derivative, 696–97
 - option on an, 707–11
 - “plain vanilla,” 704–7
- interests in cooperatives, 658–59**
- interim data, adjustments to previously reported, 889**
- interim dates, foreign currency translation adjustments at, 889**
- interim financial report, 874**
- content of an, 878–79
 - in hyperinflationary economies, 891
- interim financial statements**
- comparative, 881–82
 - disclosure checklist, 1036–39
 - explanatory notes, selected, 1037–39
 - form and content of, 879–80, 1037
 - materiality as applied to, 877–78
 - minimum components of, 1036–37
- interim period(s), 874**
- accounting changes in, 890
 - materiality consideration in, 886
 - impairment of assets in, 890–91
 - materiality consideration, 878
- interim reporting, 956–57**
- alternative concepts of, 874–75
 - of contingencies, 889–90
 - objectives of, 875–76
 - of other expenses, 888–89
 - periods, volume rebates or other anticipated price changes in, 885–86
 - of product costs, 887–88
- International Accounting Convergence and IFRS 3(R) and IAS 27(R), 289–90**
- International Accounting Standards (IAS). See also International Financial Reporting Standards (IAS/IFRS) standards, 8, 10, 12, 15–16, 32**
- International Accounting Standards Board (IASB), 6**
- conceptual framework, 78
 - Conceptual Framework for Financial Reporting 2010*, 29, 37, 39, 111
 - due process, 8
 - The Due Process Handbook of the IASB*, 7
 - ED, *Derecognition: Proposed Amendments to IAS 39 and IFRS 7*, 645
 - Europe and, 11–14
 - Exposure Draft, *Financial Instruments: Amortized Cost and Impairment*, 647
 - financial reporting in the US, 8–11
 - Financial Statement Presentation*, 49, 71
 - Framework*, 74, 77, 85
 - Improvements Project*, 13, 108, 119
 - Improvements to IFRS*, 614
 - 1989 framework, 32
 - origins and early history of, 3–6
 - Preliminary Views on Financial Statement Presentation*, 49–50
 - standards imposed by, 1
- International Accounting Standards Committee (IASC) Foundation, 6**
- Framework for the Preparation and Presentation of Financial Statements*, 29
 - IFRS and, 4–6, 8–9, 11
 - Standards Interpretations Committee, 9
- International Federation of Accountants (IFAC), 4**
- International Financial Reporting Interpretations (SIC/IFRIC)**

- IFRIC 1: *Changes in Existing Decommissioning, Restoration and Similar Liabilities*
current liabilities, provisions, contingencies, and events after the reporting period, 440, 449, 454
IFRS, introduction, 16
- IFRIC 2: *Members' Shares in Cooperative Entities and Similar Instruments*
financial instruments, 645, 658
IFRS, introduction, 16
shareholder equity, 374, 380, 392
- IFRIC 3: *Accounting for Emission Rights*
government grants, 549
- IFRIC 4: *Determining Whether an Arrangement Contains a Lease*
first-time adoption of IFRS, 951
IFRS, introduction, 16
leases, 562, 586–88
- IFRIC 5: *Rights to Interests Arising from Decommissioning, Restoration and Environmental Rehabilitation Funds*
IFRS, introduction, 16
interests in associates, 247
investment property, 235
- IFRIC 6: *Liabilities Arising from Participating in a Specific Market—Waste Electrical and Electronic Equipment*
current liabilities, provisions, contingencies, and events after the reporting period, 440, 453
IFRS, introduction, 16
- IFRIC 7: *Applying the Restatement Approach under IAS 29, Financial Reporting in Hyperinflationary Economies*
IFRS, introduction, 16
inflation and hyperinflation, 912, 928–29
- IFRIC 9: *Embedded Derivatives*
financial instruments, 645, 667, 698
interests in associates, 247
- IFRIC 10: *Interim Financial Reporting and Impairment*
financial instruments, 645, 691
IFRS, introduction, 16
interests in associates, 247
interim financial reporting, 874, 891
- IFRIC 11: *IFRS 2: Group and Treasury Share Transactions*
IFRS, introduction, 16
- IFRIC 12: *Service Concession Arrangements*
first-time adoption of IFRS, 953
government grants, 550, 558–59
IFRS, introduction, 16
property, plant and equipment, 187
revenue recognition, including construction contracts, 512, 524
- IFRIC 13: *Customer Loyalty Programs*, 16
revenue recognition, including construction contracts, 512, 523–24
- IFRIC 14: *IAS 19—The Limit on a Defined Benefit Asset, Minimum Funding Requirements, and Their Interaction*
employee benefits, 475, 494–95, 497
IFRS, introduction, 16
- IFRIC 15: *Agreements for the Construction of Real Estate*
IFRS, introduction, 16
revenue recognition, including construction contracts, 512, 517, 543–44
- IFRIC 16: *Hedges of a Net Investment in a Foreign Operation*
financial instruments, 645
foreign currency, 637
IFRS, introduction, 16
- IFRIC 17: *Distributions of Noncash Assets to Owners*
IFRS, introduction, 16
property, plant and equipment, 187
shareholder equity, 391
- IFRIC 18: *Transfer of Assets from Customers*
IFRS, introduction, 16
property, plant and equipment, 148, 187
revenue recognition, including construction contracts, 512, 519
- IFRIC 19: *Extinguishing Financial Liabilities with Equity Instruments*
financial instruments, 645
IFRS, introduction, 16
- IFRIC 20: *Stripping Costs in the Production Phase of a Surface Mine*
extractive industries, 860–61
- SIC 5: *Classification of Financial Instruments—Contingent Settlement Provisions*
financial instruments, 663
- SIC 7: *Introduction of the Euro*
IFRS, introduction, 16
- SIC 10: *Government Assistance—No Specific Relation to Operating Activities*
government grants, 551
IFRS, introduction, 16
- SIC 12: *Consolidation—Special-Purpose Entities (replaced by IFRS 10, effective 2013)*
business combinations and consolidated financial statements, 284, 360, 368
financial instruments, 668–69
IFRS, introduction, 16
shareholder equity, 391
- SIC 13: *Jointly Controlled Entities—Nonmonetary Contributions by Venturers (replaced by IAS 28, effective 2013)*
IFRS, introduction, 16
interests in joint ventures, 265, 270, 278
- SIC 15: *Operating Leases—Incentives*
IFRS, introduction, 16
leases, 562, 569
- SIC 18: *Consistency—Alternative Methods*, 108
- SIC 21: *Income Taxes—Recovery of Revalued Nondepreciable Assets*
income taxes, 757
property, plant and equipment, 167
- SIC 25: *Income Taxes—Changes in the Tax Status of an Enterprise or Its Shareholders*
IFRS, introduction, 16
income taxes, 772
- SIC 27: *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*
disclosure checklist, 1013
IFRS, introduction, 16
leases, 562, 585–86
- SIC 29: *Disclosure—Service Concession Arrangements*
disclosure checklist, 1036
government grants, 558
IFRS, introduction, 16
- SIC 31: *Revenue—Barter Transactions Involving Advertising Services*
IFRS, introduction, 16
revenue recognition, including construction contracts, 512, 521–22
- SIC 32: *Intangible Assets—Web Site Costs*
business combinations and consolidated financial statements, 285
IFRS, introduction, 16
intangible assets, 206, 226–27
- SIC 33: *Consolidation and Equity Method*
business combinations and consolidated financial statements, 337

- International Financial Reporting Interpretations Committee (IFRIC).** See also **International Financial Reporting Interpretations (SIC/IFRIC)**
- about, 6–7, 9
 - interpretations, 16–17, 39
 - standards, 16–17
- International Financial Reporting Standards (IAS/IFRS)**
- about IAS/IFRS Standards, 15–17, 33, 38
 - IAS 1: *Presentation of Financial Statements*
 - accounting policies, 108, 111, 120
 - agriculture, 849–50
 - compound instruments, classification of, 660–63
 - convertible debt instruments, 659–63
 - current liabilities, provisions, contingencies, and events after the reporting period, 440, 442–43, 445–46, 467
 - debt instruments having contingent settlement provisions, 663–64
 - induced conversion of, 663
 - issued with share warrants, 663
 - disclosure checklist, 967–71, 976–77, 986, 1003, 1010, 1013–15, 1018, 1020, 1022, 1034–35, 1037
 - disclosure requirements under IAS 32, 666
 - earnings per share, 789
 - employee benefits, 496
 - financial assets and liabilities, offsetting, 665–66
 - financial instruments, 645, 651, 665, 684
 - financial statement position, 58–59, 62–69
 - financial statement presentation, 37–38, 40, 43, 45, 47–50
 - first-time adoption of IFRS, 937, 941, 952
 - foreign currency, 637
 - government grants, 558
 - IFRS, introduction, 10, 15
 - income taxes, 771
 - induced conversion of debt instruments, 663
 - inflation and hyperinflation, 930
 - intangible assets, 227
 - interests in associates, 251, 261
 - interests in cooperatives, 658–59
 - interim financial reporting, 874, 877–79
 - offsetting financial assets and liabilities, 665–66
 - operating segments, 815
 - presentation examples, 658
 - puttable financial instruments, 657–58
 - reporting interest, dividends, losses, and gains, 665
 - shareholder equity, 373–81
 - statement of cash flows, 91, 101
 - statement of profit or loss, 71–75, 77–81, 83, 85–86, 88
 - treasury shares, 664–65
 - IAS 1 Revised: *Inventories*
 - financial instruments, 653
 - IAS 2: *Inventories*
 - agriculture, 843–44, 846, 848, 851
 - business combinations and consolidated financial statements, 329
 - disclosure checklist, 986–87
 - extractive industries, 860
 - fair value, 738
 - first-time adoption of IFRS, 944
 - IFRS, introduction, 15
 - inventory, 127–29, 133, 135–36, 138–39, 142, 145
 - investment property, 237
 - property, plant and equipment, 168
 - statement of financial position, 60
 - IAS 7: *Statement of Cash Flows*, 10, 15, 40, 66
 - financial instruments, 652, 666
 - financial statement presentation, 40
 - first-time adoption of IFRS, 941
 - foreign currency, 616
 - IFRS, introduction, 10, 15
 - inflation and hyperinflation, 927
 - statement of cash flows, 91–102
 - statement of financial position, 66
 - IAS 8: *Accounting Policies, Changes in Accounting Estimates and Errors*
 - accounting for insurance contracts, 868
 - accounting policies, 108–9, 111–13, 115–20, 123–24
 - business combinations and consolidated financial statements, 311
 - conceptual framework, 33
 - current liabilities, provisions, contingencies, and events after the reporting period, 454
 - employee benefits, 500
 - extractive industries, 856–57
 - fair value, 751
 - financial statement presentation, 40, 44, 47
 - first-time adoption of IFRS, 938, 942, 945
 - government grants, 557
 - IFRS, introduction, 15
 - income taxes, 770
 - inventory, 129
 - property, plant and equipment, 195
 - revenue recognition, including construction contracts, 543
 - shareholder equity, 374–75, 379, 381
 - statement of profit or loss, 75, 88
 - IAS 9: *(IAS 39 replacement project)*, 208
 - IAS 10: *Events After the Reporting Period*, 15, 40
 - current liabilities, provisions, contingencies, and events after the reporting period, 440, 454, 464–65, 467
 - disclosure checklist, 976, 978–79
 - first-time adoption of IFRS, 945
 - income taxes, 776
 - IAS 11: *Construction Contracts*
 - disclosure checklist, 1022
 - financial statement presentation, 43
 - government grants, 559
 - IFRS, introduction, 15
 - investment property, 237
 - property, plant and equipment, 168
 - revenue recognition, including construction contracts, 512, 517, 525, 532–34, 536–38, 542–44
 - IAS 12: *Income Taxes*
 - business combinations and consolidated financial statements, 291, 298, 311, 328, 332, 358
 - current liabilities, provisions, contingencies, and events after the reporting period, 455
 - disclosure checklist, 976, 986, 1007, 1015–18
 - financial statement presentation, 40
 - first-time adoption of IFRS, 943–44
 - government grants, 550
 - IFRS, introduction, 15
 - income taxes, 756–65, 767–69, 771–72, 775, 777–80, 782–84
 - inflation and hyperinflation, 929
 - intangible assets, 206
 - interests in associates, 251, 256
 - interim financial reporting, 885
 - inventory, 136
 - investment property, 242

- property, plant and equipment, 167–68, 177
statement of financial position, 63
- IAS 14: *Segment Reporting*
extractive industries, 858
operating segments, 807, 810
- IAS 15: *Information Reflecting the Effects of Changing Prices*
inflation and hyperinflation, 916
- IAS 16: *Property, Plant, and Equipment*
accounting policies, 113, 117
agriculture, 843–45, 847–48, 851
current liabilities, provisions, contingencies, and events after the reporting period, 452
disclosure checklist, 987–88, 995, 1030, 1043
extractive industries, 856, 859
financial statement presentation, 39
first-time adoption of IFRS, 941, 950, 957
foreign currency, 620
IFRS, introduction, 15
income taxes, 762
inflation and hyperinflation, 926, 929
intangible assets, 212, 214, 219, 226–27
inventory, 129
investment property, 236, 238, 240–41, 244
leases, 571, 576, 586, 590
property, plant and equipment, 148–50, 152, 155–60, 162–66, 177, 181–82, 185–86
revenue recognition, including construction contracts, 520, 527
shareholder equity, 378–79
statement of profit or loss, 74, 78, 86
- IAS 17: *Accounting for Leases*
borrowing costs, 197, 199
business combinations and consolidated financial statements, 302
disclosure checklist, 994, 1011–12
fair value, 738
first-time adoption of IFRS, 943
IFRS, introduction, 15
intangible assets, 226
investment property, 235, 243
leases, 562, 565–69, 571–72, 574–75, 577–78, 580–81, 584–89, 593–94, 598
revenue recognition, including construction contracts, 513
- IAS 18: *Revenue*
agriculture, 843, 846
business combinations and consolidated financial statements, 312
current liabilities, provisions, contingencies, and events after the reporting period, 459–61
financial instruments, 653, 672–73
financial statement presentation, 40, 42
first-time adoption of IFRS, 944
government grants, 559
IFRS, introduction, 15
intangible assets, 226
inventory, 132, 135
leases, 586
revenue recognition, including construction contracts, 511–13, 515, 517–18, 520, 522, 525, 543–45
statement of profit or loss, 76
- IAS 19: *Employee Benefits*
accounting and reporting by retirement benefit plans, 835
business combinations and consolidated financial statements, 298
current liabilities, provisions, contingencies, and events after the reporting period, 456
disclosure checklist, 973, 975, 1008–11
employee benefits, 473–75, 477, 479–80–498, 500–505, 508
fair value, 739
financial instruments, 655, 666, 726
financial statement presentation, 39
first-time adoption of IFRS, 941, 943–44, 951
IFRS, introduction, 15
intangible assets, 206
property, plant and equipment, 168
related-party disclosures, 824
shareholder equity, 379
statement of profit or loss, 74, 78, 86
- IAS 20: *Accounting for Government Grants and Disclosure of Government Assistance*
agriculture, 849, 852
first-time adoption of IFRS, 941
government grants, 549–53, 556–57
IFRS, introduction, 15
income taxes, 775
interim financial reporting, 885
property, plant and equipment, 187
- IAS 21: *The Effects of Changes in Foreign Exchange Rates*
disclosure checklist, 967, 987, 990, 1022–23, 1026
financial statement presentation, 39
first-time adoption of IFRS, 951–52
foreign currency, 614–19, 621–22, 624, 626, 632–36, 639
IFRS, introduction, 15
inflation and hyperinflation, 930
interim financial reporting, 889
shareholder equity, 379
statement of profit or loss, 74, 78, 86
- IAS 22: *Business Combinations*
business combinations and consolidated financial statements, 295, 332
intangible assets, 208
- IAS 23: *Borrowing Costs*
accounting policies, 108
borrowing costs, 197–99
employee benefits, 499
financial instruments, 671
first-time adoption of IFRS, 954
IFRS, introduction, 15
inflation and hyperinflation, 926
intangible assets, 206, 212
inventory, 133
investment property, 238
property, plant and equipment, 155, 188
revenue recognition, including construction contracts, 528, 535
- IAS 24: *Related-Party Disclosures*
disclosure checklist, 973–75, 1010–11, 1014
fair value, 739
financial instruments, 665
financial statement presentation, 40
IFRS, introduction, 15
leases, 562
operating segments, 817–18
related-party disclosures, 823–24, 826–31
revenue recognition, including construction contracts, 528
- IAS 26: *Accounting and Reporting by Retirement Benefit Plans*, 15
accounting and reporting by retirement benefit plans, 835–38, 840
fair value, 739
- IAS 27(R): *Consolidated and Separate Financial Statements*
business combinations and consolidated financial

- statements, 282–84, 286, 290–91, 295, 302, 304, 312, 335–38, 340–44, 358, 360, 368–70
- IAS 27: *Separate Financial Statements* (Consolidation part replaced by IFRS 10, *Consolidated Financial Statements*, effective 2013)
 - business combinations and consolidated financial statements, 282, 284, 290, 295, 336–38, 343–44, 360, 367, 369–70
 - disclosure checklist, 990–92, 1027
 - financial instruments, 666, 668, 726
 - financial statement presentation, 40
 - first-time adoption of IFRS, 941, 944, 952
 - foreign currency, 632
 - IFRS, introduction, 15
 - intangible assets, 207
 - interests in associates, 262
 - interests in joint ventures, 267, 269
 - interim financial reporting, 895, 907
 - related-party disclosures, 829, 831
- IAS 28: *Investments in Associates and Joint Ventures* (Joint ventures included effective 2013)
 - disclosure checklist, 992–93
 - financial instruments, 666, 726
 - first-time adoption of IFRS, 941
 - foreign currency, 631–32
 - IFRS, introduction, 15
 - intangible assets, 207
 - interests in associates, 262
 - interests in joint ventures, 269, 278
 - related-party disclosures, 827–29, 831
 - revenue recognition, including construction contracts, 513
- IAS 29: *Financial Reporting in Hyperinflationary Economies*
 - foreign currency, 617, 623
 - government grants, 550
 - IFRS, introduction, 15
 - inflation and hyperinflation, 911–12, 924, 926–29
 - interim financial reporting, 891
 - property, plant and equipment, 162
- IAS 30: *Disclosure in Financial Statements of Banks and Similar Financial Institutions*
 - financial instruments, 644, 724–25
- IAS 31: *Financial Reporting of Interests in Joint Ventures* (replaced by IFRS 11 and IAS 28, effective 2013)
 - accounting policies, 113
 - disclosure checklist, 992–94
 - financial instruments, 666, 726
 - first-time adoption of IFRS, 941, 957
 - foreign currency, 632
 - IFRS, introduction, 15
 - intangible assets, 207
 - interests in associates, 255
 - interests in joint ventures, 265, 267–70, 278
 - related-party disclosures, 829, 831
- IAS 32: *Financial Instruments: Presentation*
 - accounting for insurance contracts, 865
 - agriculture, 847
 - business combinations and consolidated financial statements, 306, 311
 - current liabilities, provisions, contingencies, and events after the reporting period, 442–43
 - disclosure checklist, 1014, 1040
 - disclosure requirements, 666
 - financial instruments, 644–45, 648, 655–56, 672, 683, 699, 724–26
 - first-time adoption of IFRS, 952–53
 - IFRS, introduction, 12–13, 15
 - income taxes, 780
 - intangible assets, 207
 - issues addressed by, 656–66
 - presentation examples, 658
 - revenue recognition, including construction contracts, 525
 - share-based payment, 402
 - shareholder equity, 374, 377–78, 380–81, 388
 - statement of financial position, 58, 68
- IAS 33: *Earnings Per Share*
 - business combinations and consolidated financial statements, 365
 - disclosure checklist, 970–71, 1027–28
 - earnings per share, 789–90, 793–94, 797–803
 - IFRS, introduction, 15
 - interim financial reporting, 880
- IAS 34: *Interim Financial Reporting*
 - business combinations and consolidated financial statements, 331
 - disclosure checklist, 981, 1037–39
- financial instruments, 691
- financial statement presentation, 40
- first-time adoption of IFRS, 939–40, 942, 956
- IFRS, introduction, 15
- income taxes, 773–75
- interim financial reporting, 874–87, 889–91, 895
- inventory, 128
- operating segments, 809
- IAS 36: *Impairments of Assets*
 - business combinations and consolidated financial statements, 311, 331
 - disclosure checklist, 980, 988, 1016, 1028–30, 1043
 - extractive industries, 857–58
 - fair value, 738–39
 - first-time adoption of IFRS, 944, 948, 951, 955
 - foreign currency, 621
 - government grants, 557
 - IFRS, introduction, 15
 - intangible assets, 206, 208, 224–26
 - interim financial reporting, 890
 - investment property, 240
 - leases, 562, 574–75, 585
 - property, plant and equipment, 149–50, 168–74, 177, 180–82, 185
 - revenue recognition, including construction contracts, 519, 526, 528
 - statement of financial position, 60
- IAS 37: *Provisions, Contingent Liabilities, and Contingent Assets*
 - accounting for insurance contracts, 867, 870
 - business combinations and consolidated financial statements, 288, 297–98, 300, 312–13
 - current liabilities, provisions, contingencies, and events after the reporting period, 440, 443, 446–48, 450, 452–60, 462, 468–71
 - disclosure checklist, 975–77, 993, 1005–6, 1024, 1026
 - employee benefits, 492, 505
 - financial instruments, 666, 673, 688
 - financial statement presentation, 42
 - first-time adoption of IFRS, 943–44, 953
 - government grants, 552, 554
 - IFRS, introduction, 10, 15
 - interests in associates, 261
 - interests in joint ventures, 272
 - interim financial reporting, 886
 - leases, 586

- property, plant and equipment, 153
- revenue recognition, including construction contracts, 516, 526, 534
- share-based payment, 419
- IAS 38: *Intangible Assets*
 - accounting policies, 113, 117
 - agriculture, 851
 - business combinations and consolidated financial statements, 285, 300, 311
 - current liabilities, provisions, contingencies, and events after the reporting period, 469
 - disclosure checklist, 989–90, 1043
 - extractive industries, 856
 - first-time adoption of IFRS, 941, 944, 947–48, 957
 - IFRS, introduction, 15
 - intangible assets, 206–10, 212–24, 226–27, 229
 - inventory, 134
 - leases, 562, 586, 590
 - property, plant and equipment, 185
 - revenue recognition, including construction contracts, 525
 - shareholder equity, 378–79
 - statement of financial position, 39
 - statement of profit or loss, 74, 78, 86
- IAS 39: *Financial Instruments: Recognition and Measurement*
 - accounting for insurance contracts, 865–66, 870
 - agriculture, 849
 - amendments to, adopted in 2008, 734–35
 - amendments to IAS 39 adopted in 2008, 734–35
 - applicability, 666–67
 - assessment and recognition of loan impairment, 690–91
 - borrowing costs, 197, 199
 - business combinations and consolidated financial statements, 289, 302, 311–13, 340
 - current liabilities, provisions, contingencies, and events after the reporting period, 440, 459–60, 468
 - debt exchange or restructuring with gain deferral, 674–76
 - debt exchange or restructuring with gain recognition, 674
 - debt instruments, substantial modification of the terms of existing, 673–74
 - derecognition of
 - financial assets, 667–70
 - financial liabilities, 670–71
 - financial liabilities, gain or loss on, 671
 - derivative(s), 694–95
 - to be settled for cash, nonfinancial, 697
 - difficulty of identifying whether certain transactions involve, 696
 - embedded, 698–99
 - interest rate swap *not* to be accounted for as, 696–97
 - interest rate swap to be accounted for as, 696
 - not to be settled for cash, 697
 - that are not based on financial instruments, 698
 - transaction, 695
 - transaction, apparent loans that qualify as, 695–96
 - disclosure checklist, 996–97, 999–1000, 1031
 - effective interest method, 684
 - embedded derivative(s), 698–99
 - separate contracts that cannot be deemed an, 699–700
 - evidence of impairment, 687–88
 - extinguishment of debt, 671
 - fair value
 - through profit and loss (FVTPL), 676–77
 - through profit or loss (FVTPL), 667
 - fair value hedges, accounting for gains and losses from, 700–704
 - financial instruments, 644–49, 653, 655, 661, 666–68, 670–79, 685–701, 703–5, 708–9, 716–24, 726–34
 - financial statement position, 60, 65–66, 68
 - financial statement presentation, 39, 46
 - first-time adoption of IFRS, 941–46, 952–53
 - foreign currency, 615, 636–38
 - forward contracts, 697–98
 - future contracts, 698
 - gain or loss on derecognition of financial liabilities, 671
 - gains and losses from fair value hedges, 700–704
 - government grants, 552
 - hedge a future purchase of inventory, options to, 712–16
 - hedging
 - accounting under IAS 39, 700
 - on a “net” basis and “macrohedging,” 718
 - of a net investment in a foreign subsidiary, 716–18
 - partial term, 718
 - hedging activities, 694
 - held-to-maturity
 - classification, constraints on use of, 677–78
 - investments disposed of before maturity, 678–80
 - IFRS, introduction, 5, 12–13, 15
 - impairment of
 - financial assets carried at amortized cost, 688–90
 - financial assets carried at cost, 691
 - financial assets carried at fair value, 691–92
 - investments, 692
 - impairments and uncollectibility, 687–94
 - impairments—general concerns, 687
 - Implementation Guidance Committee (IGC), 644
 - intangible assets, 207
 - interest rate risk managed on a net basis should be designated as hedge of gross exposure, 718–24
 - interest rate swap
 - to be accounted for as a derivative, 696
 - not to be accounted for as derivative, 696–97
 - option on an, 707–11
 - “plain vanilla,” 704–7
 - interests in associates, 250, 257
 - interests in joint ventures, 267, 269, 278
 - interim financial reporting, 890–91
 - investments in equity instruments, 680–81
 - leases, 586
 - noncash transactions, 682
 - nonfinancial derivative to be settled for cash, 697
 - note exchanged for property, 682–84
 - notes and bonds, 681
 - notes issued solely for cash, 682
 - options, 698
 - options to hedge a future purchase of inventory, 712–16
 - partial term hedging, 718
 - property, plant and equipment, 168
 - rates, nominal vs. effective, 681–82
 - reclassifications, 685–87
 - from the available-for-sale category to cost, 686–87
 - from the available-for-sale to held-to-maturity category, 686

- from the held-for-trading category, 2008 relaxation of rules against, 685–86
 - from the held-to-maturity to available-for-sale category, 686
- recognition and measurement, initial, 667
- revenue recognition, including construction contracts, 513, 519, 525
- sales of investments in financial instruments, 693–94
- separate contracts that cannot be deemed an embedded derivative, 699–700
- share-based payment, 402
- shareholder equity, 379
- statement of profit or loss, 72, 74, 76, 79, 86
- structured debt instrument, 692–93
- structured notes as held-to-maturity investments, 692
- subsequent measurement, 671–73
- swaps, 698
- IAS 40: *Investment Property*
 - accounting policies, 108
 - agriculture, 848
 - disclosure checklist, 994–96, 1016
 - first-time adoption of IFRS, 957
 - IFRS, introduction, 16
 - income taxes, 762
 - inventory, 129
 - investment property, 235–43
 - leases, 590
 - plant, property and equipment, 168
 - statement of financial position, 60
- IAS 41: *Agriculture*
 - agriculture, 843–50, 852
 - basic principles of, 846–47
 - disclosure checklist, 1041–43
 - government grants, 549–50
 - IFRS, introduction, 16
 - inventory, 128, 142
 - leases, 590
 - property, plant and equipment, 168
 - revenue recognition, including construction contracts, 513
 - statement of financial position, 60
 - statement of profit or loss, 76
- IFRS 1: *First-Time Adoption of IFRS*
 - disclosure checklist, 979–81, 985, 1003
 - first-time adoption of IFRS, 935–43, 945–47, 949–54, 956–57, 962–63
 - IFRS, introduction, 16
 - inflation and hyperinflation, 912, 924–25, 930
 - interim financial reporting, 890
 - objective and scope of, 937–38
 - revenue recognition, including construction contracts, 529
- IFRS 2: *Share-Based Payment*
 - business combinations and consolidated financial statements, 299, 311, 322–23, 328
 - disclosure checklist, 981–83
 - employee benefits, 474
 - fair value, 738
 - financial instruments, 656, 727
 - first-time adoption of IFRS, 943–44, 949
 - IFRS, introduction, 16
 - intangible assets, 207
 - interests in associates, 248
 - interests in joint ventures, 265
 - property, plant and equipment, 149
 - related-party disclosures, 824
 - share-based payment, 401–2, 404–6, 408–9, 416–20
 - shareholder equity, 374–75, 378, 383
- IFRS 3: *Business Combinations*
 - accounting policies, 113
 - business combinations and consolidated financial statements, 282, 290, 302–3, 306, 311–14, 362
 - disclosure checklist, 990, 1023, 1025–27
 - earnings per share, 793
 - financial instruments, 666
 - employee benefits, 477
 - financial instruments, 656, 666, 726
 - share-based payment, 402
 - first-time adoption of IFRS, 941, 946–48, 957
 - IFRS, introduction, 16
 - income taxes, 777
 - intangible assets, 206, 210–11, 218
 - interests in associates, 250, 252–53
 - interests in joint ventures, 269
 - interim financial reporting, 895
 - property, plant, and equipment, 184, 187
- IFRS 3(R) and IAS 27(R) and International Accounting Convergence, 289–90
- IFRS 3(R): *Business Combinations*
 - business combinations and consolidated financial statements, 282, 285–95, 297–304, 306, 308–9, 311–14, 317–18, 322–24, 327–28, 330–34, 338, 341–42, 344, 358–59
- IFRS 4: *Insurance Contracts*
 - accounting for insurance contracts, 863, 865–71
 - business combinations and consolidated financial statements, 302, 311
 - current liabilities, provisions, contingencies, and events after the reporting period, 459–60
 - disclosure checklist, 983–85, 1000, 1039–40
 - financial instruments, 656, 666, 726
 - first-time adoption of IFRS, 941, 949, 951
 - IFRS, introduction, 16
 - intangible assets, 206–7, 210–11, 218
 - revenue recognition, including construction contracts, 513, 529
- IFRS 5: *Noncurrent Assets Held for Sale and Discontinued Operations*
 - agriculture, 850
 - business combinations and consolidated financial statements, 292, 299, 340
 - current liabilities, provisions, contingencies, and events after the reporting period, 451
 - disclosure checklist, 986–87, 989, 995, 1016, 1018–20, 1026
 - fair value, 740
 - financial statement position, 60, 63, 70
 - financial statement presentation, 38, 40
 - first-time adoption of IFRS, 944, 946
 - IFRS, introduction, 16
 - interests in associates, 250
 - property, plant and equipment, 149–50, 168, 179–84, 187
 - statement of profit or loss, 75, 81, 83–84
- IFRS 6: *Exploration for and Evaluation of Mineral Resources*
 - categorization, assets subject to, 858–59
 - disclosure checklist, 1043
 - disclosure requirements under, 859
 - extractive industries, 857–59
 - first-time adoption of IFRS, 951
 - in greater detail, 856–57
 - IFRS, introduction, 16
 - leases, 562
 - property, plant and equipment, 195
 - revenue recognition, including construction contracts, 529

- IFRS 7: *Financial Instruments: Disclosures*
 disclosure checklist, 984, 996–1005, 1011–12, 1031
 financial instruments, 644–45, 653, 655, 666, 685, 698, 724–27, 730, 732–34
 first-time adoption of IFRS, 943
 IFRS, introduction, 16
 interim financial reporting, 878
 leases, 588–89
- IFRS 8: *Operating Segments*
 business combinations and consolidated financial statements, 337
 disclosure checklist, 1019–22, 1029, 1038
 financial statement presentation, 38
 IFRS, introduction, 16
 intangible assets, 226
 key principles of, 810–12
 operating segments, 807, 809–14, 816–18
 property, plant and equipment, 177, 182, 184
- IFRS 9: *Financial Instruments*
 accounting for insurance contracts, 863
 disclosure checklist, 998, 1014
 financial instruments, 645–47, 735
 IFRS, introduction, 14, 16
 interests in associates, 250
 interests in joint ventures, 278
 interim financial reporting, 891
- IFRS 10: *Consolidated Financial Statements*
 business combinations and consolidated financial statements, 284, 360, 368–70
 IFRS, introduction, 16
 interests in associates, 261–62
- IFRS 11: *Joint Arrangements*
 IFRS, introduction, 16
 interests in associates, 261–63
 interests in joint ventures, 278
- IFRS 12: *Disclosure of Interest in Other Entities*
 business combinations and consolidated financial statements, 368, 370
 IFRS, introduction, 16
 interests in associates, 261–62
- IFRS 13: *Fair Value Measurement*
 business combinations and consolidated financial statements, 284, 292, 307
 fair value, 738
 IFRS, introduction, 16
 investment property, 239
- International Financial Reporting Standards (IFRS)**
 about IAS/IFRS Standards, 15–17
 accounting curricula, IFRS-based, 11
 accounting risk, 2
Applying IFRS for SMEs, 14
 compliance with, 968–70
 date of transition to, 936
 defined, 110
 Euro-IFRS, 13
 fair presentation and compliance with, 40–44
 financial reporting, IFRS-based, 11
 financial statements, first, 936
 financial statements, IFRS-based, 2
 first-time adoption guidance, 937–46
 first time adoption of, 936
 Foundation, 1, 6–7, 14
 Foundation Constitution, 6
 full IFRS, 10, 13–14, 21–24, 26
 IFRS 3(R) and IAS 27(R) and International Accounting Convergence, 289–90
 IFRS for SMEs, 14, 20–27
 as complete, self-contained set of requirements, 22
 disclosure requirements under, 26
 implications of, 27
 maintenance of the, 26
 modifications of full IFRS made for, 22
 omitted topics, 22–23
 only the simpler option included, 23–24
 recognition and measurement simplifications, 24–26
 SME Implementation Group, 26–27
 International Accounting Standards Committee (IASC), 4–6, 8–9, 11
 International Financial Reporting Standards, 38
 Interpretations, 38–39
 introduction, 1–3
 key dates, 939–40
 local GAAP, 2
 mandatory exceptions to the retrospective application of other, 945
 Napoleonic Commercial Code, 3
 national GAAP, 1, 5, 13–14, 20, 24
 Norwalk Agreement, 2–3, 9
 optional exemptions, 946–54
Practice Statement Management Commentary
 characteristics, qualitative, 34
 elements, 35
 nature and scope, 34
 presentation, 35
 principles, 34
Preface to IFRS, 7
 presentation and disclosure, 954–64
 projects completed the previous year (October 2010 to September 2011), 18–19
 reporting period, first, 936
 required explanation, 959–62
 selection of accounting policies, 940–42
 SIC/IFRIC Interpretation, 16–17
 SMEs, definition, 21–22
 Standards, 38 (*See also* International Financial Reporting Standards [IAS/IFRS])
 standard setting, 7–8
 statement of financial position, opening, 936, 942–45
 steps in transition to, 940
 structure, current, 6–7
 US GAAP, 1–3, 8–10, 12–14, 21
- International Financial Reporting Standards Interpretations Committee [IFRIC], 110, 112**
- International Organization of Securities Commissions (IOSCO), 5–9**
 Comparability and Improvements Project, 5
 international “passport,” common, 5
- intersegment sales, 808**
- intra-segment sales, 808**
- intrinsic value, 403**
- introduction, 531–32, 644–45, 807**
- inventory (inventories)**
 costing problems, 921
 defined, 64–65, 128
 disclosure checklist, 986–87
 interim financial reporting, 887
 profits, 913
- investee, defined, 248, 266**
- investee and subsidiary income, tax allocation for, 779–80**
- investing activities, defined, 92**
- investment**
 in associate company, 780
 in associates, 992–93
 defined, 248, 266
 entities, 370
 in equity instruments, 680–81
 in joint ventures, 993
 in subsidiaries, jointly controlled entities, and associates, 952
 in subsidiary company, 780
- investment property, 236**
 to be sold, 242
 disclosure checklist, 994–96, 1015–16
 disclosures, 243–46
 disposal of, 242
 expenditures, subsequent, 238
 fair value, 238–40
 financial statement disclosures, examples of, 245–46
 identification, 236–37

- introduction, 235
 - property apportioned between
 - investment property and owner-occupied property, 237
 - property leased to a subsidiary or a parent company, 237
 - recognition and initial cost, 237–38
 - recognition and measurement, 237–42
 - transfers to or from, 241–42
 - US GAAP comparison, 246
 - investor, 248, 266**
 - investor and investee, intercompany transactions between, 254–55**
 - investor's recognition of recurring investee losses, treatment of, 260**
 - IOSCO. See Emerging Markets and Technical Committees of the International Organization of Securities Commissions (IOSCO)**
 - item identification and unit of account, 742**
- J**
- JFSA. See Financial Services Agency of Japan (JFSA)**
 - joint arrangement, 266**
 - joint control, 266, 824**
 - joint products, 128**
 - joint products and by-products, 135**
 - joint ventures**
 - defined, 266
 - investments in, 993–94
 - journal entries to be made by the borrower in a factoring situation, 654–55**
 - judgments and estimations, 979**
- K**
- key management personnel, 824**
- L**
- last-in, first-out (LIFO)**
 - cost method, 144
 - defined, 128
 - inventory costing, elimination of, 107
 - last-twelve-months reports, 874**
 - lease(s)**
 - accounting, sale and leaseback, 565
 - accounting for, 569–71
 - acquisition of interest in residual value, 606
 - bargain purchase option (BPO), 562
 - between related parties, 604
 - classification of, 565–69
 - contingent rentals, 562
 - costs, initial direct, 563
 - defined, 563
 - direct financing, 581–83
 - disclosure requirements under IAS 17, 588–92
 - executory costs, 563
 - fair value of leased property (FMV), 563
 - finance, 563, 571, 577
 - finance income, unearned, 565
 - finance lease—asset ownership transferred to lessee and fair market value of leased asset lower than present value of minimum lease payments, 574–75
 - finance lease—asset returned to lessor at termination, 572–74
 - finance leases, 563, 571, 577
 - finance leases, different types of, 568–69
 - future developments, 593
 - gross investment in the, 563
 - inception of, 563
 - inflation and hyperinflation, 951
 - involving land and buildings, 567, 599
 - involving land only, 598–99
 - involving only part of a building, 601–3
 - involving real estate and equipment, 601
 - involving real estate—guidance under US GAAP, 598
 - land and building lease containing transfer of title, 600
 - land and building lease without transfer of title or bargain purchase option, 600–601
 - lease income, straight lining of, 576–77
 - lease term, 563
 - leased assets, depreciation of, 571–72
 - leased asset(s), impairment of, 575
 - leased property, economic life of, 562
 - leased property, residual value of, 565
 - leases, 569–71
 - leases in a business combination, 604–5
 - leases—lessee, 569
 - leases—lessor, 575–76
 - leasing guidance, 585–88
 - leasing transactions, related parties in, 564
 - lessee disclosures, 588–89
 - lessee's incremental borrowing rate, 563
 - lessor accounting, 599–600
 - lessor disclosures, 589–92
 - leverage leases under US GAAP, 608–9
 - leveraged leases, 583–84
 - minimum lease payments (MLP), 564
 - money-over-money lease transactions, 606
 - net investment in the, 564
 - noncancelable, 564
 - operating, 564, 575–76
 - rate implicit in the lease, 564
 - recognition and measurement, 569–88
 - renewal or extension of, 564
 - renewal or extension of an existing lease, 603–4
 - residual value, 565, 606
 - residual value, unguaranteed, 565
 - sale and leaseback accounting, 565
 - sale-leaseback, 584–85, 594–98
 - sale or assignment to third parties—nonrecourse financing, 605–6
 - sales-type leases, 577–81
 - from the standpoint of a lessee, 1011–12
 - from the standpoint of a lessor, 1012
 - straight lining of lease income, 576–77
 - sublease, 606–7
 - substance of the transaction involving the legal form, 1012–13
 - termination of, 603
 - useful life, 565
 - US GAAP, leverage leases under, 608–9
 - US GAAP, special situations not addressed by IAS 17, 594–607
 - US GAAP comparison, 593
 - leasehold improvements, 161–62**
 - legal obligation, 441**
 - lessee disclosures, 588–89**
 - lessee's incremental borrowing rate, 563**
 - lessor accounting, 599–600**
 - lessor disclosures, 589–92**
 - level 1 inputs, 739, 749**
 - level 2 inputs, 739, 749–50**
 - level 3 inputs, 739, 750**
 - leveraged buyout (LBO), 287–88**
 - leveraged leases, 583–84**
 - leverage leases under US GAAP, 608–9**
 - liabilities and equity instruments**
 - with no observable fair values from quoted price, 746
 - with observable fair values from quoted price, 746–47
 - liability (liabilities)**
 - about, 32, 59–60, 288, 441
 - adequacy test, 864
 - classification of, 66–68
 - contingent, 459
 - and equity, classification between, 380–81
 - with inseparable third-party credit enhancements, 747
 - LIFO. See last-in, first-out (LIFO)**

limitations on replacement cost, 919
line items presented, further subclassifications of, 986
liquidity risk, 650, 725, 733
litigation, 458–59
loans, application of amendment to IAS 20 for below-market, 552–53
loans and receivables, 650
local GAAP, 2
long-term assets (consolidated financial statement and Investment in subsidiaries), other, 990–92
long-term employee benefits, other, 477, 504–5
lower of cost and net realizable value, defined, 128

M

mandatory exceptions to the retrospective application of other IFRS, 945
markdown, defined, 128
market
 approaches, 739, 751
 condition, 403
 participants, 288, 739–40, 743
 value, 650
marketable equity instruments, 650
market risk, 650, 725, 733–34
 disclosures, 734
markup, defined, 128
material, defined, 110
materiality
 and aggregation, 42
 as applied to interim financial statements, 877
material omissions or misstatements, 39
mature biological assets, 845
measurement, 514–15
 considerations when transactions are not orderly, 744–45
 date, 403, 477
 period, 309
 principle, 407
 principle, exceptions to, 298–99
members' shares in cooperative entities, 392
merchandise inventory, 127, 133
methods of inventory costing under IAS 2, 136–43
mineral resources, exploration for and evaluation of, 856, 1043
minimum
 disclosures on face of income statement, 1014–15
 funding requirement, 494–97
 funding requirement on economic benefit available as reduction in future contributions, 496–97
 lease payments (MLP), 564

minimum lease payments (MLP), 564
minority interest, 959
MLP. See minimum lease payments (MLP)
MNC. See multinational corporations (MNC)
modifications, cancellations, and settlements, 417–18
monetary
 assets, defined, 151, 208
 financial assets and financial liabilities, 650
 items, 615, 913
 and nonmonetary items, 618
 nonmonetary items vs., 933
money-over-money lease transactions, 606
mortality rate, 477
most advantageous market, 740
multiemployer plans, 477
multinational corporations (MNC), 613–14
multiperiod option valuation using the binomial model, 413–17
multiplicity of taxing jurisdictions and different categories of income, 884
mutual entity, 288

N

NAFTA, 613
Napoleonic Commercial Code, 3
national GAAP, 1, 5, 13–14, 20, 24
net assets, 75
net assets available for benefits, 836
net investment
 in a foreign operation, 615, 624–25
 in the lease, 564
net periodic pension cost, 477
net present value, 913, 918
net realizable values (NRV), 128, 138–39, 650, 845, 913, 918
net reporting by financial institutions, 100
net selling price, defined, 208
noncancelable lease, 564
noncash transactions, 682
 exclusion of, 94
noncontrolling interest(s)
 in the acquiree, recognize and measure any, 302–3
 defined, 69, 288, 632
 at fair value, measuring, 303–4
 measured at its share of the identifiable net assets of the acquiree, calculated in accordance with IFRS 3(R), 304–6
 presentation of, 342
noncontrolling interests (IFRS 3), 946
noncurrent asset(s)

 defined, 66, 151
 held for sale, 179–83
 held for sale and discontinued operations, 1018–20
noncurrent liabilities, 67–68
nonderivative financial assets and nonderivative financial liabilities (IAS 39), derecognition of, 945–46
nonemployee transactions, 418
nonfinancial derivative to be settled for cash, 697
nonmonetary
 assets, defined, 151
 items, 615, 619–21, 913
 transactions, 151, 186, 208
nonperformance risk, 740
 in valuing liabilities, 747
nonreciprocal transfer(s), 151, 186–87, 208
nonrecourse financing, 605–6
non-sub subsidiaries, 367
NY Agreement, 2–3, 9
note exchanged for property, 682–84
notes and bonds, 681
notes issued solely for cash, 682
notes to financial statements, 1034–36
NRV. See net realizable values (NRV)
numerator, 792

O

objectives, 291
obligating event, 441
observable inputs, 740
offsetting, 42–43
 assets and liabilities, defined, 68
 financial assets and liabilities, 665–66
 items of revenue and expense, 85
onerous contract(s), 441, 454
opening IFRS statement of financial position, 936, 942–45
operating
 activities, 92, 808
 cycle, 441, 650
 expenses, 83
 leases, 564, 575–76
 profit or loss, 808
 revenue, 559
operating segments
 defined, 75, 808
 definition of terms, 808–9
 disclosure requirements, 808, 814–21
 IFRS 8, key principles of, 810–12
 and reportable segments, 808, 812–13
option(s)
 and convertible instruments, 369–70
 defined, 698, 791

to hedge a future purchase of inventory, 712–16
and warrants, 798–99

orderly transaction, 740

ordinary activities, 512

ordinary shares, 791
contingent issuances of, 800–801
potential, 791

other accounting issues arising in business combinations, 358–67

other assets, 66

other comprehensive income, 39, 74, 86–87
reclassification adjustments, 87–88

owner-occupied property, defined, 236

owners, 288

ownership
of goods, 129–30
interests, disclosure of, 259

P

parent, 288

parent's
controlling ownership interest, recognizing changes in the level of the, 338–39
loss of control of a subsidiary, accounting for the, 339–41

Parmalat (Italy), 10

partial term hedging, 718

participants, defined, 836

past due or impaired, financial assets that are either, 733

past service costs, 477, 501–2
to the extent recognized, 488

pay-as-you-go, 477

payee unknown and amount may have to be estimated, 456–57

PCAOB. See Public Company Accounting Oversight Board (PCAOB)

PCFRFC. See Private Company Financial Reporting Committee (PCFRFC)

pension
accounting rules, need for, 480–81
considerations, other, 497
cost, accrued, 475
cost, summary of net periodic, 502–3
obligation and plan assets, reconciliation of beginning and ending, 503
and other benefit plan accounting, 480
and other benefit plan costs, 480–81
plans, multiple and multiemployer, 497

percentage-of-completion method, 533–34

percentage-of-sales method, 651

periodic, defined, 128

perpetual, defined, 128

plan amendment, 477

plan assets, 477
expected return on, 485–87

pledging, 651
of receivables, 653

policyholder, 864

postcombination measurement and accounting, 311–13

postemployment benefit plans
about, 477, 482–91
disclosures for, 498–503

postemployment benefits, 477

postretirement benefits, 477
obligation, accrued, 475
other, 504

potential ordinary shares, 791

PP&E. See property, plant, and equipment (PP&E)

preferred shares, treatment of cumulative, 260

prepaid expenses, defined, 65

prepaid pension cost, 477

presentation
basis of, 1031
consistency of, 44
currency, 615
financial statement, 37–39, 49
IFRS *Practice Statement Management Commentary*, 35
interim financial reporting, 878–82
in profit or loss section, 79–85
single-statement, 89
statement of cash flows, 95–99

presentation and disclosure, 781–87
agriculture, 849–51
government grants, 555–56
property, plant, and equipment, 182–84
requirements under IAS 33, 803–4
shareholders equity, 375–79

present value
actuarial, 475
of a defined benefit obligation, 477

previous GAAP, 936

price assertions, arm's-length transaction, 830–31

price changes
general vs. specific, 915–16
in interim reporting periods, volume rebates or other anticipated, 885–86

price level accounting concepts and proposals, 916–17

price risk, other, 650–51

principal market, 740

principal or most advantageous market, 742–43

principal risk exposures, 35

prior period errors, defined, 110

prior service cost, 479

prior service cost, unrecognized, 479

Private Company Financial Reporting Committee (PCFRFC), 27

probability recognition criterion, 470

probable, defined, 151

product costs, interim reporting of, 887–88

product warranties, 456–57

product warranty expense accrual, 457

profit and loss, 74

profit or loss, 39

profits, inventory, 913

projected benefit obligation, 479

projected benefit valuation methods, 479

property
apportioned between investment property and owner-occupied property, 237
leased to subsidiary or parent company, 237
taxes payable, 455–56

property, plant, and equipment (PP&E)
about, 152–62
decommissioning liabilities included in the cost of, 953
defined, 151
disclosure checklist, 987–88
disclosures, 185–94
reevaluation of, 162–63

proportionate consolidation, defined, 266

prospective application, defined, 110

provision(s), 151, 441, 1005–6

Public Company Accounting Oversight Board (PCAOB), 27

purchasing power
gains/losses, 913–14
gains or losses in the context of current cost accounting, 923–24

purpose and status, 30

put option, 791

puttable financial instruments, 403, 651, 657–58

Q

qualifying as a business, 292–94

qualifying asset, defined, 151, 198

qualitative
characteristics of useful financial information, 31–32
disclosures, 732

quantitative disclosures, 732

R

rate implicit in the lease, 564

Rate-Regulated Activities Exposure Draft, 525–31

- rates, nominal vs. effective, 681–82**
- raw materials**
 defined, 129
 inventory, 127, 135
 or component parts cost,
 recording, 134–35
- real estate sales, 517**
- realization, defined, 75**
- realized gain (loss), 651**
- realized holding gains/losses, 914**
- receivables, 652–53**
- receivables, defined, 65**
- reclassification(s)**
 adjustments, 39, 74, 87–88
 from the available-for-sale
 category to cost, 686–87
 from the available-for-sale to
 held-to-maturity category, 686
 defined, 685–87, 728
 from the held-for-trading
 category, 2008 relaxation of
 rules against, 685–86
 from the held-to-maturity to
 available-for-sale category, 686
- recognition**
 accounting for insurance
 contracts, 870
 of annual costs incurred unevenly
 during the year, 882–83
 of contract revenue and expenses,
 538
 criteria, 209–11, 552
 criteria, costs not satisfying IAS
 38, 217–18
 of deferred tax assets, limitation
 on the, 765–68
 defined, 75, 406, 515–19
 of expected contract losses, 541–
 42
 of government grants, 552–55
 initial, 751–52
 and initial cost, 237–38
 issues, 882–908
 and measurement principles,
 exceptions to both the, 298
 measurement subsequent to
 initial, 219–22
 period, 553–55
 principle, exceptions to the, 297
 in profit or loss, 760
 of revenue based on probability-
 weighted estimates of
 consideration expected to be
 received, 546
- recognition and measurement**
 about, 569–88, 914–24
 accounting for insurance
 contracts, 866–70
 agriculture, 846–49
 borrowing costs, 198–203
 current liabilities, provisions,
 contingencies, and events after
 the reporting period, 442–45
 of current tax, 758
 of deferred tax, 758–60
- inflation and hyperinflation, 914–
 24
 initial, 667
 intangible assets, 208–27
 interest in joint ventures, 267–71
 interests in associates, 248–61
 inventory, 129–36
 investment property, 237–42,
 248–61
 leases, 569–88
 property, plant, and equipment,
 152–67
 revenue recognition, 533–44
 share-based payment, 406–7
 shareholder equity, 375
 statement of profit or loss, 76–77
- reconciliation of cash and cash
 equivalents, 101**
- reconciliations, 955**
- recourse, 651**
- recoverable amount(s), 914**
 computing, 169
 defined, 208
- recoverable asset, 151**
- recoveries of previously recognized
 losses, 139**
- redemption price, 791**
- reevaluations, deferred tax effect
 of, 167**
- reinsurance assets, 864**
 impairment testing of, 857
- reinsurance contract, 864**
- reinsurer, 864**
- related party, 824–25**
- related-party disclosures**
 close members of the family of an
 individual, 824
 compensation, 831
 defined, 824
 control, defined, 824
 definition terms, 824–25
 disclosure checklist, 973–75
 disclosure of parent-subsidary
 relationships, 829
 disclosures, need for related-
 party, 825–26
 disclosures for financial
 statement, 828–29, 832–33
 disclosures of operating segments,
 828–33
 disclosures to be provided, 830
 financial statement disclosures,
 828–29, 832–33
 government, defined, 824
 government-related entities, 831–
 32
 government-related entity,
 defined, 824
 IAS 24 standard, 823–24, 826–31
 identification, 825–28
 influence, significant, 825
 introduction, 823–24
 joint control, 824
 key management personnel, 824
 need for, 825–26
- price assertions, arm's-length
 transaction, 830–31
 related party, 824–25
 significant influence, 825
 transaction price assertions,
 arm's-length, 830–31
 transactions, related-party, 825
 US GAAP comparison, 833–34
- reload feature, 403**
- reload option, 403**
- renewal or extension**
 of an existing lease, 603–4
 of a lease, 564
- replacement awards—acquirer
 share-based payment awards
 exchanged for acquiree awards
 held by its employees, 322**
- replacement cost**
 about, 129, 163, 914, 918–19
 approach, income measuring
 under the, 920–24
- reportable segments, 808, 812–14**
- reporting**
 dates, different, 632
 entity, 289, 615
 frequency of, 43
 futures, forward contracts,
 options, and swaps, 101
 interest, dividends, losses, and
 gains, 665
- reporting date, 936**
- Reporting Entity Exposure Draft,
 32–33**
- reporting extraordinary items in
 the statement of cash flows, 101**
- reporting period**
 adjusting and nonadjusting events
 after, 465–67
 adjusting events after the, 440
 defined, 80–81
 dividends proposed or declared
 after, 467–68
 events after the, 441
 first IFRS, 936
 nonadjusting events after the, 441
 reporting events occurring after
 the, 464–68
- reports**
 last-twelve-months, 874
 year-to-date, 874
- reproduction cost, 163, 914**
- repurchase agreement, 651**
- resaleable value, 32**
- research, defined, 208**
- research and development assets,
 317**
- residual value**
 acquisition of interest in, 606
 defined, 151, 160, 208, 224–25
 of leased property, 565
 unguaranteed, 565
- restatement approach, guidance on
 applying, 928–29**
- restructuring, 441**

- restructuring costs, provision for, 453–54**
restructuring or exit activities, 300
restructuring provisions, 471
retail method
 defined, 129
 valuation, 139–41
retained earning(s)
 defined, 69, 388
 transactions, 389
retirement benefit plans, 479, 836
retirement benefits, actuarial present value of promised, 835
retrospective application, defined, 110
retrospective restatement, defined, 110
return on plan assets, 479
revaluation
 adjustments, 165
 applied to all assets in the class, 164–65
 of development cost, accounting for, 222
 initial, 165
 model, 219
 subsequent, 165–66
 surplus, 165
revenue(s)
 about, 81–84, 512–13
 arrangements, accounting for multiple-element, 522
 and expenses, other, 83
 measurement—determining the stage of completion, 539–41
 received seasonally, cyclically, or occasionally, 883–84
 recognized only from transfer of goods or services to customer, 545
 reporting as a principal or as an agent, 521–24
revenue recognition
 from interest, royalties, and dividends, 518
 from the rendering of services, 517–18
 from the sale of goods, 515–17
 from the transfer of assets from customers, 519–21
reverse acquisitions, 289, 361–67
reverse spin-off, 289
right to return purchases, defined, 132
risk
 adjusted rates, 172
 assumptions when valuing a liability, 746
 disclosure, 35
 premium, 740
 strategies, 35
roll-up or put-together transaction, 289
Royal Ahold (the Netherlands), 10
- S**
- SAC. See Standards Advisory Council (SAC)**
sale(s)
 intersegment, 808
 intra-segment, 808
 of investments in financial instruments, 693–94
 involving customer loyalty credits, 522–24
 or assignment to third parties—nonrecourse financing, 605–6
 or other operating revenues, 81
 to intermediate parties, such as distributors, dealers or others for resale, 517
sale-leaseback
 accounting, 565
 involving real estate, 596–98
 transactions, 584–85, 594–95
sales-type leases, 577–81
seasonality, 874
SEC. See US Securities and Exchange Commission (SEC)
second-class GAAP, 11
securitization, 651
segment
 accounting policies, 808
 assets, 808–9
 data, 1020–22
 expense, 809
 operating, 808, 812–13
 reportable, 808, 813–14
 revenue, 809
segmenting contracts, 533
self-constructed assets, initial recognition of, 155
separate
 contracts that cannot be deemed an embedded derivative, 699–700
 disclosure items, 83
 financial statements, 248, 266, 289
service
 concession arrangements, 524–25, 558–59, 953
 concessions, 557–59
 defined, 479
service cost
 attribution, 484–85
 current, 484
settlement
 defined, 479
 example of, 489–90
 of preexisting contractual supplier relationship
 contract favorable to acquirer, 319
 contract unfavorable to acquirer, 318–19
share(s)
 deferred, 395
 issuance, contingently issuable ordinary, 790
 issuances and related matters, 381–92
 option, 404
 units, issuance of, 383–85
share-based
 payment, 981–83
 payment transactions (IFRS 2), 949
 transactions among group entities, 419–20
share capital
 defined, 68
 issued for services, 383
 rights and restrictions relating to, 394–95
short-term
 employee benefits, 479
 investments, 651
SIC. See Standards Interpretations Committee (SIC)
SIC/IFRIC Interpretations, 16–17, 33
SIC interpretations. See International Financial Reporting Interpretations (SIC/IFRIC)
significant events and transactions, 880
significant influence, 248, 266, 825
similar productive assets, defined, 151
simple capital structure, 792–96
single-statement presentation, 89
small and medium sized enterprises (SMEs)
 defined, 21–22
 IFRS for SMEs
 about, 14, 20–27
 as complete, self-contained set of requirements, 22
 disclosure requirements under, 26
 implications of, 27
 maintenance of the, 26
 modifications of full IFRS made for, 22
 omitted topics, 22–23
 only the simpler option included, 23–24
 recognition and measurement simplifications, 24–26
 SME Implementation Group, 26–27
SMEs. See small and medium sized enterprises (SMEs)
SPE. See special-purpose entity (SPE)
special industry situation, 184
special-purpose entity (SPE), 289
 accounting for, 359–60
special situations, guidance applicable to, 632–35
specific identification, 129, 136–37
specific transactions, 519–31, 775–81

spin-offs, 289, 367
spot exchange rate, 615
stage of completion, 533
standard costs, 129, 141
standards, hierarchy of, 33
Standards Advisory Council (SAC), 6–7
Standards Interpretations Committee (SIC), 16, 39. See also International Financial Reporting Interpretations (SIC/IFRIC)
stapling arrangement, 289
statement of cash flows
 basis of presentation, 1031
 disclosure checklist, 1031–33
 disclosures, additional recommended, 1033
 format, 1031–33
 presentation of, 556
statement of changes in equity, 74–75, 88–89, 1034
statement of compliance with IFRS, 46
statement of comprehensive income, 849–50, 1014–31
Statement of Financial Accounting Standards 130 (FAS 130), 37, 71
statement of financial position
 additional line items on the face of, 986
 disclosure checklist, 985–1014
 events after the date of, 976
 minimum disclosures on the face of the, 985–86
 presentation of, 555–56
statement title, defined, 80
stockholders' equity, 1013–14
straight lining of lease income, 576–77
structure and content, 45–48, 62–64
structured debt instrument, 602–93
structured notes as held-to-maturity investments, 692
subcontractor costs, 537
subscriptions to publications and similar items, 517
subsequent measurement, 671–73
subsidiary, 289
subsidiary company, investment in, 780
swaps, 698

T

tangible assets, nature of, 209
tax(es)
 allocation for investee and subsidiary income, 779–80
 basis, 757
 benefit realizability in business combination, revising estimate of, 778
 credits, 757, 884–85

 effects of compound financial instrument at issuance, 780–81
 effects of compound financial instrument in subsequent periods, 781
 effects of compound financial instruments, 780
 expense (tax income), 757–58
 on investments in subsidiaries, associates, and joint ventures, 779
 law changes and the effects on previously recorded deferred tax assets and liabilities, 771–72
 liabilities and assets, deferred, 1006–7
 loss tax credit carrybacks and carryforwards, 885
 payable, 455
 planning opportunities to help realize deferred tax assets, 768
 rate, estimated annual effective, 874
 rates and status changes made in interim periods, implications of, 773–75
 status changes, reporting the effect of, 772–73
 strategy, impact of a qualifying, 769–70
taxable
 profit (loss), 757
 profit to offset deductible differences, future temporary differences as a source for, 768
 temporary differences, 757
taxing jurisdictions and different categories of income, multiplicity of, 884
Technical Expert Group (TEG), 12
TEG. See Technical Expert Group (TEG)
temporary differences, 757, 760–62
terminal funding, 479
termination benefits, 479, 505
termination of a lease, 603
timeliness, 31
time of issuance, 791
totals and subtotals, defined, 70
trading investments, defined, 65
transaction
 costs, 651, 740
 date, 615
 price allocation in proportion to estimated stand-alone selling price, 546
 price assertions, arm's-length, 830–31
 related-party, 825
transfer
 of a liability or an entity's own equity instrument, restriction preventing the, 748
 pricing, 809
 of receivables with recourse, 655
transformation, biological, 844

transition
 adjustment, 490–91
 costs, 752
 from US GAAP to IFRS: The Case of Daimler Chrysler, 957–59
translation (remeasurement)
 of financial statements into a functional currency, 623–24
 of foreign currency financial statements, 621–31
 of functional currency financial statements into presentation currency, 622–23
transport costs, 752
Treasury and EBT shares reserve, 396
treasury share (stock) method, 791, 798
treasury shares, 664–65

U

unbundle, defined, 864
unbundling, 869–70
uncertainties, 979
understandability, 31–32
undistributed investee earnings, defined, 266
unearned finance income, 565
unfavorable contract, 289
unguaranteed residual value, 565
UNICE. See European employer organization (UNICE)
unit of account, 740
unit pricing, 921
unobservable inputs, 740
unrealized holding gains/losses, 914
unrealized intercompany profit, 289
unused tax losses or tax credits, identification of, 764
useful life, 151, 208, 565
useful lives, 161
US Emerging Issues Task Force, 7
US FASB, 12
US GAAP (Generally Accepted Accounting Principals)
 accounting for insurance contracts, 875
 accounting policies, 110, 112–13, 124–25
 IFRS and, 1–3, 8–10, 12–14, 21, 56
 to IFRS: The Case of Daimler Chrysler, 957–59
 leverage leases under, 608–9
 special situations not addressed by IAS 17 but which have been interpreted under leases, 594–607
 Statements of Financial Reporting Concepts, 110
US GAAP comparison, 932
 accounting policies, 124–25

agriculture, 852–53
 borrowing costs, 203–4
 business combination and consolidated financial statements, 335
 conceptual framework, 35–36
 construction contract accounting, 547
 current liabilities, provisions, contingencies, and events after the reporting period, 472
 earnings per share, 804–5
 employee benefits, 508–9
 extractive industries, 861
 financial statement presentation, 56
 foreign currency, 641
 government grants, 559
 income taxes, 788
 intangible assets, 234
 interests in joint ventures, 278–79
 interim financial reporting, 909
 inventory, 144–45
 investment property, 246
 leases, 593
 operating segments, 821
 property, plant and equipment, 194–95
 related-party disclosures, 833–34

revenue recognition, 547
 share-based payment, 436–37
 statement of cash flows, 106
 statement of financial position, 70
 statement of profit or loss, 90

US Securities and Exchange Commission (SEC), 5, 7, 10–12

V

valuation

of inventories, 133–34
 methods, other, 139–42
 techniques, 750–51

value in use, 914

computing, 170–71
 defined, 151

variable or direct costing, 135

variation, 533

venturer, defined, 266

verifiability, 31

vested benefits, 479

vesting, 404

vesting conditions, 404

volume rebates or other

anticipated price changes in interim reporting periods, 885–86

voting interests on application of equity method accounting for

investments in associates, impact of potential, 260

W

W/A. See weighted-average (W/A)

warrant, 791

web site development and

operating costs, 226–27

weighted-average (W/A)

computation, 794

cost, 138

defined, 129

number of shares, 792

work in process (WIP), 127, 129

World Accounting Congress

(1972), 4

WorldCom, 10

World Trade Organization

(WTO), 613

WTO. See World Trade

Organization (WTO)

Y

year-end dates, coterminous, 259

year-to-date reports, 874

<http://www.pbookshop.com>