



International Financial Reporting Standards




IFRS for SMEs
IASCF Workshop
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The IFRS for SMEs 2

Quiz and Discussion
Section 35 Transition
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Day 3 17:00 to 17:30



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**Questions about
Section 35 Transition**




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Section 35 – Discussion questions

Question 1: Which of the following could be a first-time adopter of IFRS for SMEs?

- Entity currently using full IFRSs switches to IFRS for SMEs?
- Entity currently using Hong Kong GAAP which is 100% identical to full IFRSs?
- Entity currently using Malaysian GAAP which has adopted many but not all IFRSs?




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Question 2: Entity adopts IFRS for SMEs as of 31 Dec 2012. Which of these is true?

- Entity's date of transition to IFRS for SMEs is 1 Jan 2011 or earlier.
- Entity is required to prepare financial statements that conform to IFRS for SMEs for 2011 and 2012.
- Entity is required to prepare a balance sheet as of 1 Jan 2011 that conforms to IFRS for SMEs.




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Question 3: Entity adopts IFRS for SMEs as of 31 Dec 2012. Under previous national GAAP it capitalised borrowing cost on self-constructed assets. Must the entity restate the cost of those assets to remove borrowing cost?

- No
- Yes – and also restate prior depreciation
- Yes – restate asset as of 31 Dec 2012; not required to restate prior depreciation
- Restatement is optional



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Question 4: Entity adopts IFRS for SMEs as of 31 Dec 2012. Prepares 2012 and 2011 F/S using IFRS for SMEs. Under previous national GAAP it carried PP&E at revalued amount (= 150 at 12/31/2010). FV of PP&E = 180 at 1/1/2011. Original cost of PP&E = 100. If depreciation model had been used in the past, carrying amount of PPE at 1/1/2011 = 60. Which of these are possible carrying amounts for PP&E under IFRS for SMEs at 1/1/2011?

- a. 150 b. 180 c. 100 d. 60



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Question 5: Entity adopts IFRS for SMEs as of 31 Dec 2012. Prepares 2012 and 2011 F/S using IFRS for SMEs. In 2009 entity had a business combination accounted for as a pooling of interest under previous national GAAP. IFRS for SMEs prohibits pooling. Must entity restate accounting for business combination as an acquisition?

- a. Required
b. Permitted
c. Prohibited



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Question 6: Entity adopts IFRS for SMEs as of 31 Dec 2012. Wants to prepare F/S for 2012, 2011, 2010, and 2009 using IFRS for SMEs. Which of the following is true?

- a. Must prepare 2012 and 2011 using IFRS for SMEs. 2010 and 2009 optional.
b. If it wants to present 4 years of F/S it must prepare all of them using IFRS for SMEs.
c. Must prepare 2012 and 2011 using IFRS for SMEs. 2010 and 2009 prohibited.



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Question 7: Entity adopts IFRS for SMEs as of 31 Dec 2012. It never prepared F/S in any prior years. Which of the following is true?

- a. Must prepare 2012 and 2011 using IFRS for SMEs.
b. Must prepare 2012 using IFRS for SMEs. 2011 F/S not required.
c. Must prepare 2012 using IFRS for SMEs. 2011 F/S can be prepared using either IFRS for SMEs or national GAAP.



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Question 8: Entity adopts IFRS for SMEs as of 31 Dec 2012. October 2010 entity bought a forward contract to hedge a debt payable in foreign currency. The hedge meets requirements of IFRS for SMEs for hedge accounting. National GAAP did not permit hedge accounting. Which is true?

See choices on the next slide...



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Question 8, continued:

- a. If debt was paid and forward was settled in December 2010, entity may not restate 2010 for hedge accounting.
b. Answer to (a) depends on how many years F/S the entity presents.
c. Same facts as (a) except in 2010 entity used a type of hedge accounting under old national GAAP that is not allowed under IFRS for SMEs. May not restate.
d. If debt was paid and forward settled in March 2011, entity may use hedge accounting in 2011.
e. Same as (d) but entity must use hedge accounting.



Questions or comments?

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