20 One-Liners to Remember

Quick-fire facts for last-minute revision.

1. **ICAI's mandatory Accounting Standards for JAIIB AFM run from AS 1 to AS 29.**
These 29 standards form the core list tested in the JAIIB Accounting and Financial Management for Bankers paper.

2. **The Accounting Standards Board (ASB) of ICAI was set up in 1977.**
ASB was formed to harmonise diverse accounting policies and formulate accounting standards for India.

3. **AS 8, Accounting for Research and Development, has since been deleted from the list.**
Students should note AS 8 no longer applies even though it sits within the AS 1 to AS 29 numbering.

4. **AS 30, AS 31 and AS 32 are non-mandatory, recommendatory standards on financial instruments.**
They cover recognition, presentation and disclosure of financial instruments but are not compulsory.

5. **Section 134(5) of the Companies Act, 2013 makes the Board of Directors responsible for AS compliance.**
This section places the duty to follow mandatory accounting standards on the company's directors.

6 **Section 129(5) requires disclosing the deviation, its reason, and the financial effect if AS are not followed.**
Companies departing from accounting standards must disclose these three details under Section 129(5).

7 **AS 3 deals with Cash Flow Statements.**
AS 3 prescribes how a company presents its cash inflows and outflows in financial statements.

8 **AS 9 governs Revenue Recognition.**
For bankers, AS 9 links directly to how interest income is recognised in financial statements.

9 **AS 13 covers Accounting for Investments.**
This standard is relevant to how banks account for their investment portfolios.

10 **AS 17 deals with Segment Reporting.**
It requires companies to disclose financial information by business or geographical segment.

11 **AS 18 covers Related Party Disclosures.**
It requires companies to disclose transactions with related parties in their financial statements.

12 **AS 20 prescribes rules for Earnings per Share.**
AS 20 standardises how companies calculate and present their EPS figures.

13 **AS 22 deals with Accounting for Taxes on Income.**
It governs how current and deferred tax are recognised in financial statements.

14 **AS 26 covers Intangible Assets.**
It sets out recognition and measurement rules for assets that lack physical substance.

15 **AS 29 covers Provisions, Contingent Liabilities and Contingent Assets.**
For bankers, AS 29 links closely to provisioning for bad and doubtful loans.

16 **US GAAP is built on 10 core accounting principles used by American companies.**
These include regularity, consistency, sincerity, prudence and materiality among others.

17 **ICAI-member auditors must qualify their audit report if a company does not follow a mandatory Accounting Standard.**
Failing to flag such deviations is treated as professional misconduct by the auditor.

18 **Financial Accounting records transactions and prepares final statements for external users.**
It is the branch of accounting most focused on reporting to outsiders such as investors and regulators.

19 **Management Accounting supplies internal data to managers for planning and control.**
Unlike financial accounting, its reports are used inside the organisation rather than by outsiders.

20 **The Money Measurement Concept means only transactions expressible in money are recorded in accounts.**

Non-monetary factors like staff morale or brand loyalty never appear in the books under this concept.