



Topic

Investment accounting

F.Y.B.Com

**Dr.Yogita Pandurang Chaudhari,
A.R.B.Garud College Shendurni,Tal Jamner,
Dist- Jalgaon, Maharashtra.
E mail ID - gita11911@gmail.com**

(INTRODUCTION)

- This Standard deals with accounting for investments in the financial statements of enterprises and related disclosure requirements.¹ 2. This Standard does not deal with: (a) the bases for recognition of interest, dividends and rentals earned on investments which are covered by Accounting Standard 9 on Revenue Recognition; (b) operating or finance leases; (c) investments of retirement benefit plans and life insurance enterprises; and (d) mutual funds and venture capital funds and/or the related asset management companies, banks and public financial institutions formed under a Central or State Government Act or so declared under the Companies Act, 1956.

Definitions

- Investments are assets held by an enterprise for earning income by way of dividends, interest, and rentals, for capital appreciation, or for other benefits to the investing enterprise. Assets held as stock-in-trade are not 'investments'
- . 3.2 A current investment is an investment that is by its nature readily realisable and is intended to be held for not more than one year from the date on which such investment is made.
- 3.3 A long term investment is an investment other than current investment.
- 3.4 An investment property is an investment in land or buildings that are not intended to be occupied substantially for use by, or in the operations of, the investing enterprise.

Classification of Investments

Enterprises present financial statements that classify fixed assets, investments and current assets into separate categories.

Investments are classified as long term investments and current investments.

Current investments are in the nature of current assets, although the common practice may be to include them in investments.

Investments other than current investments are classified as long term investments, even though they may be readily marketable.

Classification of Investments

- Government or Trust securities
- (b) Shares, debentures or bonds
- (c) Investment properties
- (d) Others—specifying nature.

THANK
YOU