

# Ans AS 10 MCQ

- 1 B – Capitalise since safety assets enabling production qualify as PPE even if they don't increase output.
- 2 B – When exchange lacks commercial substance, asset received is recorded at book value of asset given up adjusted for cash received/paid.
- 3 D – Training costs relate to staff readiness, not asset readiness, hence expensed.
- 4 A – Land and building are separable assets; land not depreciated, building depreciated.
- 5 A – Initial operating losses are specifically excluded from PPE cost.
- 6 B – Depreciation must begin when asset is available for use, not based on policy choice.
- 7 A – If FV of received asset not reliable, measure at FV of asset given up.
- 8 B – Depreciation becomes zero when residual value equals/exceeds carrying amount.
- 9 D – Bearer plants used to produce for multiple periods are treated as PPE.
- 10 A – Under revaluation model, increase in decommissioning liability debited to revaluation surplus to extent of balance.