The Accounting Times

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Financial Accounting as per IFRS

Financial accounting is the field of accounting concerned with the summary, analysis and reporting of financial transactions related to a business. This involves the preparation of financial statements available for public use. Stockholders, suppliers, banks, employees, government agencies, business owners, and other stakeholders are examples of people interested in receiving such information for decision making purposes. Financial accountancy is governed by both local and international accounting standards. Generally Accepted Accounting Principles is the standard framework of guidelines for financial accounting used in any given jurisdiction. It includes the standards, conventions and rules that accountants follow in recording and summarizing and in the preparation of financial statements. On the other hand, International Financial Reporting Standards is a set of passion able accounting standards stating how particular types of transactions and other events should be reported in financial statements. IFRS are issued by the International Accounting Standards Board. With IFRS becoming more widespread on the international scene, consistency in financial reporting has become more prevalent between global organizations. While financial accounting is used to prepare accounting information for people outside the organization or not involved in the day-today running of the company, managerial accounting provides accounting information to help managers make decisions to manage the business.

- Tressa Harry Swami/TYBCom/77

Challenges before RBI as it decides monetary policy during 4th August 2020 to 9th August 2020

RBI Monetary Policy: Boosting growth and containing inflation require a very different set of measures and that is why the coming monetary policy review will test the RBI. In the middle of the coming week — 4th August 2020 to 9th August 2020— the Reserve Bank of India's Monetary Policy Committee will reconvene and evaluate RBI's monetary policy stance. But this week's meeting would test the RBI. The RBI is required to target retail inflation. In other words, RBI is supposed to ensure that retail inflation measured by Consumer Price Index stays at 4% level. However, the RBI has a margin of 2 percentage points either way. So, retail inflation can swing between 2% and 6% and RBI is likely to be happy. But, RBI doesn't just look at retail inflation. It is also quite concerned with the country's economic growth , although this is not its primary concern and Governor Shakti anta Das had said in March that the RBI will do whatever it takes to protect growth from the impact of Covid-19. Under normal circumstances, when inflation rate spikes, it is because the economy is growing fast and so the RBI only has to bother about containing inflation, and not about boosting growth. On other occasions, like for most of 2019, when growth rate struggles, the inflation rate is well contained. Again, the RBI can focus on just one of these variables. Today, the situation is fast turning into one of the most dreaded challenges any central bank can face: Inflation is spiking even though growth is faltering. GDP growth rate is likely to be negative this year that is the GDP will contract (in comparison to the last financial year). Yet, retail inflation continues to stay above the 6% mark. Efforts to boost growth say by cutting interest rates in the economy could further worsen the inflation rate. And

curbing inflation would further damage India’s growth prospects.
- Shivani Rai/ TYBBI/ 26

Here are four deposit options that offer higher interest rates than bank fixed deposits

As markets turn volatile, conservative investors are the first to park their money in safer assets such as gold and fixed deposits. Gold is regularly going more out of reach since the past few months where it has appreciated by as much as Rs. 10,000 per 10 grams since January 2020. Despite many cuts, small savings schemes continue to remain the choice of people for earning risk-free interest and slowly growing their wealth. Cuts in small savings schemes interest rates of late have meant that not a lot of bank deposits are that attractive. Even the largest banks have cut down their interest rates. But the market has several alternative opportunities that you can turn to in case you need better returns. Here are four deposits that can give you good returns when compared to banks:

IDFC First Savings Bank account: IDFC First savings bank account deposits are rated AAA and it is a well-capitalized bank. Savings account balance of Rs. 1 lakh in this bank can give you an interest rate of 7 percent. In case of emergency you can withdraw anytime from your savings account and it is not the same with fixed deposits (FDs), it levies 1 percent charge on customers.

Bajaj Finance: Bajaj Finance also offers an interest rate near 7 percent mark on fixed deposits. For tenure between 36 to 60 months, you get an interest rate of 7.10 percent. This is AAA-rated fixed deposit, and the company is a part of the Bajaj group. The minimum deposit required is Rs. 25,000.

Mahindra Finance: The Dhanvruddhi Cumulative and Non-Cumulative Scheme - Fixed Deposit interest rates are perhaps the most attractive. Investors booking deposits online via the Mahindra Finance website can get a very high yield of nearly 8 percent on a 40-month deposit. The interest rate offered in the cumulative scheme is 7.05 percent for 27 months, 7.20 for 33 months and 7.30 for 40-month tenure. The deposits are rated AAA and being a part of the Mahindra group deposits are secure.

YES Bank: Yes Bank offers an interest rate of 7 percent on its 2-3 year deposit. There are still some savings options where you can earn around 7 percent interest rate. **- Hritik Anant Ambekar/SYBBI/01**

Improved Communication Tools

Tools like Skype, Face time and Zoom have also allowed us to talk to our clients from anywhere, while providing face-to-face communication – crucial when talking about confusing, difficult or sensitive data. This allows us to provide relevant, real-time financial advice, all while maintaining that human connection. The ability to spend more time forging connections and delivering real-time advice right when clients need it is transformative in our industry. By streamlining everyday finance management without wasting too much time on compliance, we now have more opportunities than ever to understand our clients' real needs and grow our businesses. Not only does this create a more streamlined admin process for all parties, it allows accountants to process data remotely, in a way that meets legal standards while reducing the margin of error. It also creates a more open, transparent relationship between client and accountant, particularly for those who aren't traditionally "numbers people". By empowering our clients to understand their daily finances better, we empower them to better understand their business as a whole, which can only be a good thing. Integrating cloud technology into working practices is a no-brainer. Tasks that traditionally would have taken hours, like reconciling receipts with bank statements, can be done in minutes remotely. This allows us to manage multiple client accounts, quickly pull together financial data and display it in a simple, easy-to-understand format for clients with ease. Simply put, we save time, money and add more value to our clients' businesses in the long term. **-Sabah Shelot/SYBCOM/54**