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Financial Reporting Formulas & Ind AS Reference

Complete FR formula cheat sheet for CA Final May 2026. Covers EPS, Consolidation, Impairment, Leases, Revenue, Financial Instruments, and more.

Based on Ind AS framework. [Print for quick revision.](#)

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1 Earnings Per Share (Ind AS 33)

Formula	Calculation	Notes
Basic EPS	$\text{Net Profit attributable to Equity} / \text{WANO}$	WANO = Weighted Avg No. of Ordinary Shares
Diluted EPS	$\text{Adjusted Earnings} / (\text{WANO} + \text{Dilutive Potential Shares})$	Include convertibles, options, warrants
Bonus Issue Adjustment	$\text{Pre-bonus shares} \times \text{Bonus Factor}$	Bonus Factor = Shares after / Shares before
Rights Issue Factor	$\text{FV before rights} / \text{TERP}$	TERP = Theoretical Ex-Rights Price
TERP Calculation	$(\text{MV of shares before} + \text{Rights proceeds}) / \text{Total shares after}$	For rights issue adjustment

2 Consolidation (Ind AS 110, 103)

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Goodwill (Full)	Assets at FV	Full goodwill method
Goodwill (Partial)	Consideration + NCI at % of NA – Net Assets at FV	Partial goodwill method
NCI at Acquisition (FV)	NCI% × Fair Value of Subsidiary	Full goodwill approach
NCI at Acquisition (NA%)	NCI% × Net Assets at Fair Value	Partial goodwill approach
Post-acquisition Reserves	Total Reserves – Pre-acquisition Reserves	Parent's share goes to consolidated RE
NCI in P&L	NCI% × Subsidiary's Profit for Year	Allocated to NCI
Unrealized Profit (Downstream)	Profit × Unsold % × 100%	Parent sells to Sub – full elimination
Unrealized Profit (Upstream)	Profit × Unsold % × Parent's %	Sub sells to Parent – proportionate

3 Impairment (Ind AS 36)

Formula	Calculation	Notes
Recoverable Amount	Higher of (FV – Costs to Sell, Value in Use)	Ind AS 36
Value in Use	PV of Future Cash Flows	Discounted at pre-tax rate
Impairment Loss	Carrying Amount – Recoverable Amount	If CA > RA
CGU Impairment Allocation	First Goodwill, then pro-rata to other assets	Cannot reduce below higher of VIU/FV-CTS/Zero

4 Leases (Ind AS 116)

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Asset	$\text{Costs} + \text{Prepayments} - \text{Incentives}$	Ind AS 116 initial recognition
Lease Liability	$\text{PV of Lease Payments}$	Discounted at implicit rate or IBR
Interest on Lease Liability	$\text{Opening Liability} \times \text{Interest Rate}$	Charged to P&L
ROU Depreciation	$\text{ROU Asset} / \text{Lease Term (or useful life if shorter)}$	Straight-line unless another basis appropriate
Sale & Leaseback Gain	$\text{Gain} \times (\text{ROU} / \text{FV of Asset})$	Only recognize gain relating to rights transferred

5 Revenue Recognition (Ind AS 115)

Formula	Calculation	Notes
Transaction Price	$\text{Fixed} + \text{Variable (most likely/expected value)} - \text{Discounts}$	Ind AS 115
Variable Consideration	$\text{Expected Value or Most Likely Amount}$	Constrained for uncertainty
Significant Financing	$\text{Cash Price} \times (1 + r)^n$ or PV of payments	Adjust if payment > 12 months
% Completion (Input)	$\text{Costs Incurred} / \text{Total Expected Costs}$	Over time recognition
% Completion (Output)	$\text{Work Done} / \text{Total Work}$	Surveys, milestones achieved
Contract Asset	$\text{Revenue Recognized} - \text{Amounts Billed}$	Unbilled receivable
Contract Liability	$\text{Amounts Billed} - \text{Revenue Recognized}$	Deferred revenue/Advance

6 Financial Instruments (Ind AS 109, 32)

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Effective Interest Rate	initial CA	Ind AS 109
Amortized Cost	$\text{Initial Amount} - \text{Principal Repaid} \pm \text{Amortization} \pm \text{Impairment}$	Using EIR method
Interest Income (AC)	$\text{Gross Carrying Amount} \times \text{EIR}$	Stage 1 & 2 assets
Interest Income (Credit-impaired)	$\text{Amortized Cost (net of ECL)} \times \text{EIR}$	Stage 3 assets
ECL (12-month)	$\text{PD} \times \text{LGD} \times \text{EAD} \times \text{Discount Factor}$	For Stage 1 assets
ECL (Lifetime)	$\Sigma (\text{PD} \times \text{LGD} \times \text{EAD})$ for each period	For Stage 2 & 3 assets
Debt vs Equity Split	$\text{Liability} = \text{PV of payments}; \text{Equity} = \text{Residual}$	Compound instruments

7 Foreign Currency (Ind AS 21)

Item	Translation Rate	Notes
Monetary Items	Closing Rate	Cash, receivables, payables
Non-monetary (Cost)	Historical Rate	PPE, inventory at cost, equity
Non-monetary (FV)	Rate at FV measurement date	Revalued assets, inventory at NRV
Income/Expense	Transaction Date Rate (or Average)	Practical expedient if not significant
Exchange Difference	$\text{Closing Rate Amount} - \text{Opening/Transaction Rate Amount}$	To P&L for monetary items
FCTR (Foreign Sub)	Assets/Liab at closing; Equity at historical; P&L at average	Difference to OCI

8 Key Financial Ratios

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Return on Equity (ROE)	$\text{Net Profit} / \text{Average Equity} \times 100$	Profitability to shareholders
Return on Assets (ROA)	$\text{Net Profit} / \text{Average Total Assets} \times 100$	Asset efficiency
Return on Capital Employed	$\text{EBIT} / (\text{Equity} + \text{Long-term Debt}) \times 100$	Operating return
Asset Turnover	$\text{Revenue} / \text{Average Total Assets}$	Asset utilization
Debt-Equity Ratio	$\text{Total Debt} / \text{Total Equity}$	Leverage measure
Interest Coverage	$\text{EBIT} / \text{Interest Expense}$	Ability to pay interest
Current Ratio	$\text{Current Assets} / \text{Current Liabilities}$	Short-term liquidity
Quick Ratio	$(\text{CA} - \text{Inventory}) / \text{CL}$	Acid test ratio

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