Revenue, provisions & contingencies

MODULE 3 / STUDY & PRINTABLE INDEX / 1 OF 2

Six connected topics take you from an enforceable customer contract to revenue, and from an uncertain obligation to recognition, measurement and disclosure. The accounting context is October 2022, supported by the historical standards linked on the relevant sheets. The explanations, cases, figures and workings here are original.

Study topic	Keep beside you
1. Contracts, promises and modifications	Five-step revenue map; two-page modification guide.
2. Transaction price and allocation	Three-page methods, returns and allocation guide; financing journal timelines.
3. Timing, balances and contract costs	Contract-cost decision tree and journals; timing/balance guide; applications; Aurora practice case.
4. Provisions and present obligations	Recognition map. Onerous/restructuring sheets cover further 2022-standard applications.
5. Measuring provisions and journals	Three-page measurement and journal sheets.
6. Contingencies and reporting decisions	Contingencies decision card; final disclosure checklist.

How to use the pack

Read the relevant topic first. Use a flowchart to decide the accounting route; then use a calculation or journal sheet to check the numbers. Attempt the original Aurora case before reading its answer pages.

PDFs contain searchable text and vector diagrams. Print at actual size or fit to A4. Pale shading separates decisions; wording and labels also distinguish each branch, so meaning does not rely on colour alone.

Find individual PDFs and downloadable images at:
Accounting Ahead / Financial Reporting / Resources / Module 3

Resource scope: teaching aids, not a full statutory disclosure checklist. Consult the relevant standard for the complete requirements.

Historical accounting context: October 2022. Original Accounting Ahead examples and design. Primary sources: AASB 15 (May 2022), incorporating IFRS 15; AASB 137 (December 2021), incorporating IAS 37.

Final reporting and disclosure checks

MODULE 3 / FINISH THE ANALYSIS / 2 OF 2

Area	Check before completing an answer
Revenue	Explain disaggregation, contract balances, performance obligations, remaining obligations and significant judgements as required. Apply available exemptions only when their conditions are met.
Contract costs	Disclose relevant judgements, closing balances by category, amortisation, impairment and use of practical expedients.
Provisions	Reconcile opening to closing by class: additions, used amounts, reversals, discount effects. Explain nature, timing, uncertainties, major assumptions and expected reimbursement.
Contingent liabilities	Unless remote, describe the nature and, when practicable, financial effect, uncertainties and reimbursement possibility. Explain impracticability when relevant.
Contingent assets	When inflow is probable, describe the nature and a practicable financial-effect estimate. Avoid implying greater certainty than the evidence supports.
Exceptional prejudice	The extremely rare seriously prejudicial dispute exception is narrow. State the general nature, and the fact and reason for omitted information.

Final consistency test

Does the journal match the decision? Do debits equal credits? Does allocated revenue equal the total price? Does the liability roll forward? Have an asset and liability been improperly offset? Are all estimates dated and supported?

For new questions, create a fresh fact pattern and dataset. Use the standards to check the accounting principles, rather than copying a source question or answer.

Historical accounting context: October 2022. Original Accounting Ahead examples and design. AASB 15 (May 2022): standards.aasb.gov.au/aasb-15-may-2022, 110-129; AASB 137 (December 2021): standards.aasb.gov.au/aasb-137-dec-2021, 84-92. Use these historical compilations for the October 2022 accounting context.