

CA Inter CMA - Version 2 Batch

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**Query :** Calculation of Site office expenses is not understood. OR  
Site office expenses are wrongly calculated. It should be for 9 months only.

**Solution :**

- Site office expenses per month =  $3,00,000 / 12 \text{ months} = ₹ 25,000 \text{ per month}$
- The estimated period is from **01.04.15 to 31.12.2016**. If you read it very carefully again, then you will notice that it is a period of 21 months and not 9 months.
- $(01.04.15 \text{ to } 31.03.16 = 12 \text{ months}) + (01.04.16 \text{ to } 31.12.16 = 9 \text{ months}) = 21 \text{ months}$
- Hence, the site office expenses for the estimated period =  $₹ 25,000 \text{ per month} \times 21 \text{ months} = ₹ 5,25,000$ .
- I hope it is clear now.