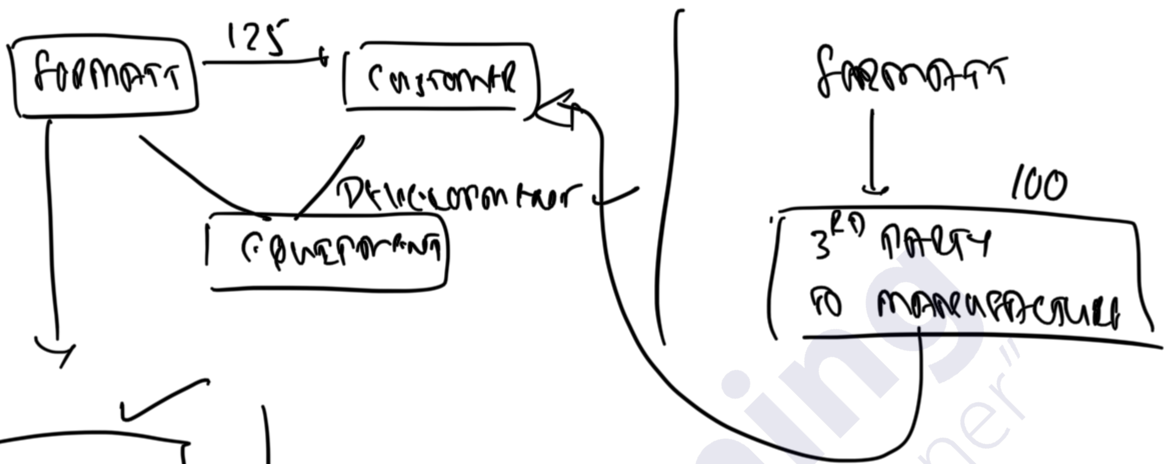
Q36) FORMATT



	PRINCIPAL	AGENT
SALES	125	25
COS	(100)	–
GP	25	25

Q37) DARLATT

OPTION 1 – [WIND TURBINE + 2 YR WARRANTY] + [10 YR MAINTENANCE]

PO – 1 PO – 2

PRICE = $\boxed{3.6\text{ mn}}$ → 1, 2

OPTION – 2 – [WIND TURBINE] + [10 YR WARRANTY] + [10 YR MAINTENANCE]

PO – 1 PO – 2 PO – 3

PRICE = 3.6 + 0.8 = $\boxed{4.4\text{ mn}}$

STAND ALONE SP

- W/T - 3.2 mn.
- 2YR WARRANTY + 10YR MAIN = 0.9 mn.

4.1 mn

- EXTENDED WARRANTY = 1 mn

5.1

OPTION 1 ALLOCATION OF PRICE

W/T + 2YR WARRANTY $= 3.6 \times \frac{3.2}{4.1} = \underline{\underline{2.81}}$

10YR MAINTENANCE $= 3.6 \times \frac{0.9}{4.1} = \underline{\underline{0.79}}$

OPTION - 2 ALLOCATION OF SP

W/T $- 4.4 \times \frac{3.2}{5.1} = \underline{\underline{2.76}}$

10YR WARRANTY $= 4.4 \times \frac{1}{5.1} = \underline{\underline{0.86}}$

10YR MAINTENANCE $= 4.4 \times \frac{0.9}{5.1} = \underline{\underline{0.78}}$

Q38) ZED TECH

① INVENTORY — HW | PS | HS. ⟶ PO1 | PO2 | PO3

INVENTORY X — HW + PS $\boxed{+ \text{HS}}$ ⟶ $\boxed{\text{HS + HW}}$ — PO1

X CANNOT USE ON ITS OWN

PS — PO2

1 OR 2

SALES = 3 2.4 (80% × 3000).

PROFIT FOR D/D = (0.6)

X

FV OF THE AMT EXPECT TO RECOVER

Q39) DIGIWIRE

1/1/2016 — 31/12/16

D —LICENSE→ CM

7% SHARES

+ 5% ROYALTY ON REVENUE

VALUED AT

4 – 5 MN

MID POINT

4.5 MN

× 7%

315,000

S/FP

CM

REVENUE = 1 m

VALUED AT

6 – 7 MN.

MID POINT

6.5 MN

× 7%

455,000

S/F/P.

FV CHANGE

+ 140,000

D/W F/S – FYE 31/12/16

REVENUE – $\boxed{315,000}$ – 1/1/16 → $\boxed{FA}$ ON S/F/P

– ROYALTY 50,000

FVTPL

FVTOCI

OCI

140,000 =

O/I

FV CHANGE + 140,000

PPE

S/F/P	1/1/16		31/12/16
ASSETS.			
FA - SHARES	315,000 ✓	+140,000 →	455,000.
LIAB.			
DEF. REVENUE	315,000 ✓	− (315,000/3 = 105,000) →	210,000

↓ to P&L

210,000
└ 105
  └ 105

P&L	2016	2017	2018
REVENUE −	105,000	105,000	105,000
− ROYALTY	50000		

DW — 50% → FD

TECHGAME — 50% → FD

FD → JOINTLY CONTROLLED

↓

JV FOR DW.

FD → BOD → 3, 3

− EMPLOYEE EXPERTISE

− CRYPTO CURRENCIES.

— CA - 3 ✓

- FV - 4 ✓ DW TG

- BUILD - CA - 6
  FV - 10

EQUITY ACCOUNTING
↓
COST + PROFIT - DIV SHARE
↓
FV OF CONSIDERATION.

FV OF CONSIDERATION

		FV	CA	PROFIT
1) COMPONENT EXPERTISE	-	0	0	-
2) CRYPTO - FV ✓	-	4	3	1
3) BUILD - FV ✓	-	10	6	4
		14	9	5
		x		x 50%

$\boxed{DW} \xrightarrow{50\%} \boxed{FD}$
ASSOCIATE

TXN WITH ASSOCIATE
PROFIT ACCOUNTING IS LIMITED TO OUTSIDE S/H (50%)

PROFIT OF 5 x 50% = 2.5
COST OF ITEMS 9
INITIAL INVM 11.5

ACCOUNTING FOR CRYPTO CURRENCIES.

FA ? IA ?

FA DEFINITION — CASH OR RIGHT TO RECEIVE CASH OR X EQUITY INSTRUMENTS OF ANOTHER ENTITY

NOT A FA

IA ? YES. — ACCOUNTING

- INITIAL → COST
- SUBSEQUENT
  - COST MODEL → COST − ACC. AMT^{N}
  - REVALUATION MODEL → REV. AMT − ACC. AMT^{N} → REV. GAINS → OCI

IDEAL ACCOUNTING = AT FV — CHANGES TO P&L

FVTPL

NCI ACCOUNTING GUIDANCE YES