

P2 CORPORATE REPORTING PRACTICE & REVISION KIT

02/2016

Question 18 Coatmin

Question page 19

Part (d) - amend as highlighted:

Coatmin provides loans to customers and funds the loans by selling bonds in the market. The liability is designated as at fair value through profit or loss. The bonds have a fair value **decrease** of \$50 million in the year to 30 November 20X4

Answer page 138

Part (b), amend as highlighted:

At 30 November 20X4

DEBIT	Profit or loss (\$40m - (\$1.2m - \$0.4m))	\$39.2m
CREDIT	Financial liabilities	\$39.2m

Answer page 139

Part (d), amend as highlighted:

This is a decrease in the fair value of the liability, which is a fair value gain in the books of Coatmin. Coatmin should split the fair value **decrease** as follows:

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (EXTRACT)
FOR THE YEAR ENDED 30 NOVEMBER 20X4**

Profit or loss for the year

Liabilities at fair value	\$'000
Fair value gain not attributable to change in credit risk	<u>45</u>
Profit (loss) for the year	<u>45</u>

Other comprehensive income (not reclassified to profit or loss)

Fair value gain on financial liability attributable to change in credit risk	<u>5</u>
<i>Total comprehensive income</i>	<u>50</u>

Question 46 Joey

Answer page 226

Amend SOFP as highlighted

Property, plant and equipment: 3,295 + 2,000 + 1,200 - 38 (W2) + 266 (W7)

W1 Group structure diagram: Change 1 Dec X2 to 1 Dec X3

Answer page 229

Amend W9 as highlighted

DEBIT	Profit or loss	\$1.5m	
CREDIT	JCP - profit for the period (current liabilities)		
	\$1.5m		

Question 50 Ashanti

Answer page 252

W4, amend as highlighted:

(ii) Unrealised profit:

DEBIT	Cost of sales ($10 \times \frac{1}{2} \times 20\%$)	\$1m	
CREDIT	Investment in associate (SOFP)		\$1m

Mock exam 3 question 1 page 394

Question Part (f), amend exchange rates as highlighted:

1 November 20X4	8
1 February 20X5	9
1 May 20X5	9
31 October 20X5	9.5
Average for year to 31 October 20X5	8.5