

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

### Question 45 Traveler

*Answer page 220*

Amend SOFP as highlighted:

<i>Equity and liabilities</i>	
Equity attributable to owners of the parent	
Share capital	1,120.0

Retained earnings (W3)  
Other components of equity (W4)

992.4
47
.7
2,160.1

#### 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

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#### 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