

Ex.1

Scenario a:

BS	
Bank	250,000
Share capital	50,000
Share premium	200,000
250,000	250,000

Scenario b:

BS	
Receivable for subsc	(250,000)
Share capital	50,000
Share premium	200,000
-	-

or

Scenario c:

BS	
Bank	250,000
Advance received	250,000
250,000	250,000

Example 1: issue of shares

Scenario d:

not accounted for

SME A has issued share capital of CU: on incorporation of SME A.

- a) At a later date SME A issued fu sold them at a price of CU5 per
- b) At a later date SME A issued fu intended to sell them at a price total amount but cash for SME
- c) At a later date SME A intended share and to sell them at a price have been **subscribed for and** obligation to refund the cash r
- d) At a later date SME A intended share and to sell them at a price have been **subscribed for, but**

Ex. 2

BS	
Gold	800,000
Share capital	
Share premium	
800,000	800,000

Ex. 3

BS	
Cash	249,000
Share capital	200,000
Share premium	49,000
249,000	249,000

What is the accounting for issue of ad
Compile extracts from the statement c

Financial asset		Financial liability	
debt instrument at amortized cost	equity instrument at FVTPL (held for trading strategy for FA aka	debt instrument (if obligation to repay) at amortized cost	equity instrument at FVTOCI (hold and sell strategy for FA aka available for sale securities - investments)

	(hold strategy for FA aka held to maturity securities - investments into debt securities e.g. corporate bonds, certificates of deposits, trade receivables on normal commercial terms****, which company intends to hold to maturity)	trading investments into debt and equity securities and any fin instruments designed as FVTPL on inception e.g. investment into convertible bond with conversion option embedded in it)	into debt and equity securities. It is residual category which includes non-trading/non-quoted equity securities and quoted debt securities which compny doesn't intent to held to maturity or if such debt securities are subject to 2 year time-out ban as result of tainted portfolio****)	(hold strategy for FL aka issued to maturity securities - issue of debt securities e.g. corporate bonds, certificates of loans, trade payables on normal commercial terms, which company intends to redeem on maturity)	(held for trading strategy for FL aka issue of trading debt and particular equity securities (perference redeemable stocks) and any fin instruments designed as FVTPL on inception e.g. issue of convertible bond with conversion option embedded in it)
1					
2	General rules:				
3	initial measurement	FV + TC in BS	FV in BS, TC in PL	FV + TC in BS	FV - TC in BS
4	subsequent measurement	amortized cost*	changes in FV in PL	changes in FV in OCI	amortized cost
5					changes in FV in PL; however if change in value is due not to general % change, but due to entity credit risk change, in this case difference should be recorded in OCI
6	Additional notes:				
7	should be tested for	impairment testing	revaluations	revaluations	-
8	how FV, if any, is calculated?	-	FV as current market price or as PV of future CF	FV as current market price or as PV of future CF	-
9	how amortized cost, if	Par value + Effective	-	-	Par value + Effective interest -

Ex. 4

as per 31/12/X0 (move

Bank

as per 01/01/X1 (move

Bank

as per 31/01/X2 (move

Bank

as per 31/1 Dr
Cr

as per 01/C Dr
Cr
Cr

as per 01/C Dr
Cr.

as per 31/C Dr
Cr
Cr

as per 31/C Dr
Cr

Ex.5

BS	
Receivable fc	250,000
Share capital	50,000
Share premi	200,000
	250,000
	250,000

100,000, which was contributed at par value of CU1 per share

urther 50,000 ordinary shares at par value CU1 per share and r share. The shares are issued for cash.

urther 50,000 ordinary shares at par value CU1 per share and e of CU5 per share. The issue was subscribed by investors in A was not delivered yet.

l to issue further 50,000 ordinary shares at par value CU1 per ce of CU5 per share. The additional 50,000 ordinary shares paid for, but are yet to be issued. SME A does not have any received.

l to issue further 50,000 ordinary shares at par value CU1 per ce of CU5 per share. The additional 50,000 ordinary shares are yet to be issued and paid.

ditional ordinary shares in every of the presented above cases? of financial position.

P Q R S

equity instrument
(if no obligation to repay)

e.g. common stocks issued,
issued option for purchase of
common stocks

FV - TC in BS

FV as current market price or as
PV of future CF (if delivery of
consideration is deferred)

Item
Share capital (10,000
Share premium
Retained earnings
Total equity attributable

as per 01/01/X1 (move

Bank

as per 01/01/X1 (c/f ba

Bank

Ex.6

ement):

BS	
100,000	Share capital 100,000
100,000	100,000

(2) Bank

ement):

BS	
900,000	Share capital 250,000
	Share premium 600,000
	Option reserve 50,000
900,000	900,000

Ex. 7

(2) PPE

ement):

BS	
1,300,000	Share capital 350,000
	Share premium 950,000
	Option reserve
1,300,000	1,300,000

Ex. 8

Subsidiary :
Subsidiary :
Profit

Bank 100,000
Share capital 100,000

Bank

Bank 750,000
Share capital 150,000
Share premium 600,000

Bank 50000
Option reserve 50000

Bank 400,000
Share capital 100,000
Share premium 300,000

Option reserve 50,000
Share premium 50,000

	Share capital	Share premium	Option reserve
OB	100,000		
issues of shares	150,000	600,000	
issue of options			50000
issue of shares	100,000	350,000	(50,000)
CB	350,000	950,000	-

	Value (CU)
ordinary shares at	100,000
	500,000
	600,000
able to owners	1,200,000

ement):

BS	
(300,000)	
	Share capital (40,000)
	Share premium (260,000)
(300,000)	(300,000)

alance):

BS	
900,000	
	Share capital 60,000
	Share premium 240,000
	RE 600,000
900,000	900,000

BS					
	(1) RE	(50,000)	=>	Db RE	50,000
	(1) Dividends payable	50,000		Cr Div paya	50,000
(50,000)	(2) Dividends payable	(50,000)	=>	Db Div pay	50,000
				Cr Bank	50,000
(50,000)		(50,000)			

BS					
	(1) RE	(100,000)	=>	Db RE	100,000
	(1) Dividends payable	100,000		Cr Div paya	100,000
(1,000)	(2) Dividends payable	(100,000)	=>	Db Div pay	100,000
	(2) Gain from revaluat	99,000		Cr PPE	1,000
(1,000)		(1,000)		Cr Gain fro	99,000

15% =	15,000
Z share (FV)	20,000
	5,000

BS of company A		
20,000	NCI (liability to 3d par	15,000
	Business result	5,000
20,000		20,000

Total
100,000
750,000
50,000
400,000
1,300,000

Example 8: change in a parent's

Since SME Z was formed it has December 20X5, when the carrying amount of the parent's shareholding in SME Z to 60 per cent

What is the accounting for char

s interest without loss of control

been owned 75 per cent by SME A and 25 per cent by SME B. On 31
ying amount of SME Z's net assets was CU100,000, SME A reduced its
t by selling 15 per cent of SME Z's shares to SME B for CU20,000.

age in SME A's interest in SME Z?