

## CLASS ASSIGNMENT 1

### Q-1

On 31 December 2009 P acquired all the shares of S for Rs.60,000. The statements of financial position of the individual enterprises at that date were as follows:

<b>Statement of financial position as at 31 December 2009</b>	<b>P Rs.</b>	<b>S Rs.</b>
<u>Total Assets</u>		
Non-current assets:		
Property Plant & Equipment	120,000	40,000
Investment in shares of S	60,000	-
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	180,000	40,000
<b>Net Current Assets</b>	20,000	10,000
	<hr/>	<hr/>
	200,000	50,000
	<hr/>	<hr/>
<u>Equity and Liabilities</u>		
<b>Capital and reserves:</b>		
Ordinary Shares of Rs 10.00 each	100,000	20,000
Retained Profits	100,000	30,000
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	200,000	50,000

#### **Required:**

Prepare the consolidated statement of financial position for the P Group on 31 December 2009.

### Q-2

On 31 December 2008 Pacemaker acquired all the shares of Syclop for Rs. 60,000. At that time Syclop accumulated profits were Rs. 30,000. The statements of financial position of the individual enterprises at 31 December 2009 were as follows:

<b>Statements of financial position as at 31 December 2009</b>	<b>Pacemaker Rs.</b>	<b>Syclop Rs.</b>
<u>Total Assets</u>		
Non-current assets:		
Property Plant & Equipment	160,000	50,000
Investment in shares of Syclop	60,000	-
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	220,000	50,000
<b>Net Current Assets</b>	30,000	10,000
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	<u>250,000</u>	<u>60,000</u>
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<u>Equity and Liabilities</u>		
<b>Capital and Reserves:</b>		
Ordinary shares of Rs. 10.00 each	100,000	20,000
Retained Profits	150,000	40,000
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	<u>250,000</u>	<u>60,000</u>

Consolidated Goodwill is subjected to an annual impairment review. No impairment has been detected to date.

#### **Required:**

Prepare the consolidated statement of financial position for the pacemaker group on 31 December 2009.

### Q-3

On 31 December 2009 Pedantic acquired 3,200 ordinary shares of Sophistic for Rs. 120,000. The statements of financial position of the individual enterprises at 31 December 2009 were as follows:

Statements of financial position as at 31 December 2009	Pedantic Rs.	Sophistic Rs.
<u>Total Assets</u>		
Non-current assets:		
Property Plant & Equipment	240,000	80,000
Investment in shares of Sophistic	120,000	-
	<u>360,000</u>	<u>80,000</u>
<b>Net Current Assets</b>	40,000	20,000
	<u>400,000</u>	<u>100,000</u>
<u><b>Equity and Liabilities</b></u>		
<b>Capital and Reserves:</b>		
Ordinary shares of Rs.10 each	200,000	40,000
Retained Profits	200,000	60,000
	<u>400,000</u>	<u>100,000</u>

It is group policy to value non-controlling interest at its proportionate share of the subsidiary's identifiable net assets.

#### **Required:**

Prepare the Pedantic group's consolidated statement of financial position at 31 December 20X1.

### Q-4

On 31 December 2008, Patronic acquired 2,800 ordinary shares of Sardonic for Rs. 120,000. At that time Sardonic accumulated profits were Rs. 60,000. The statements of financial position of the individual enterprises at 31 December 2009 were as follows:

Statements of financial position as at 31 December 2009	Patronic Rs.	Sardonic Rs.
<u>Total Assets</u>		
Non-current assets:		
Property Plant & Equipment	320,000	100,000
Investment in shares of Sardonic	120,000	-
	<u>440,000</u>	<u>100,000</u>
<b>Net Current Assets</b>	60,000	20,000
	<u>500,000</u>	<u>120,000</u>
<u><b>Equity and Liabilities</b></u>		
<b>Capital and Reserves:</b>		
Ordinary shares of Rs. 10 each	200,000	40,000
Retained Profits	300,000	80,000
	<u>500,000</u>	<u>120,000</u>

Note consolidated Goodwill is subjected to an annual impairment review. No impairment has been detected to date. It is group policy to value non-controlling interest (NCI) at fair value; the fair value of NCI was Rs. 35,600 at the date of acquisition.