

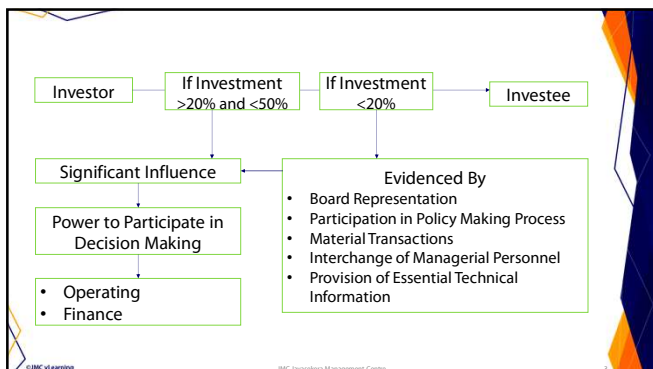
## Investment In Associates I LKAS 28

Sandeepa Jayasekera

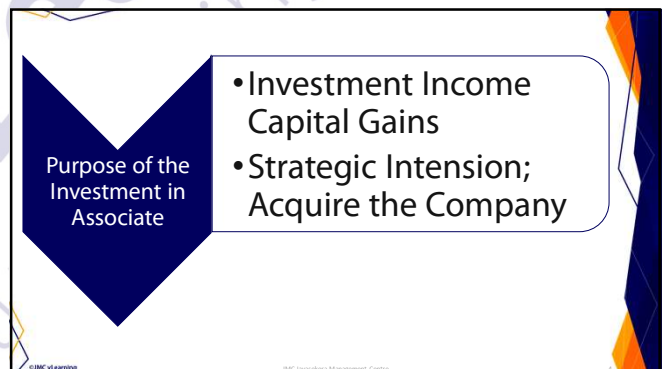
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If Investor has Significant Influence over Investee, that is called an Associate Investment

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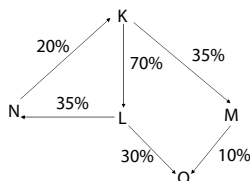
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### Question 23

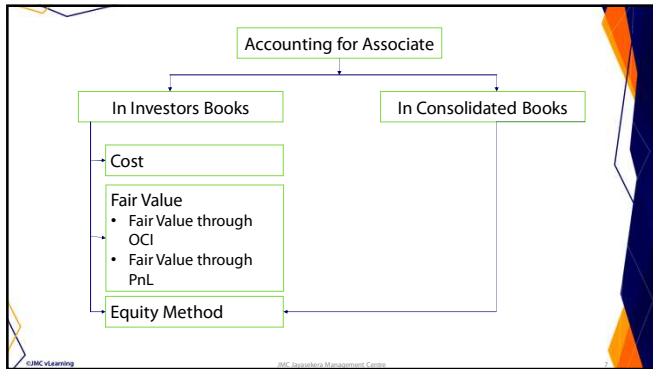
The following diagram shows the structure of a group. Based on this information, identify the Associates of K.



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## Accounting for Associate Investments

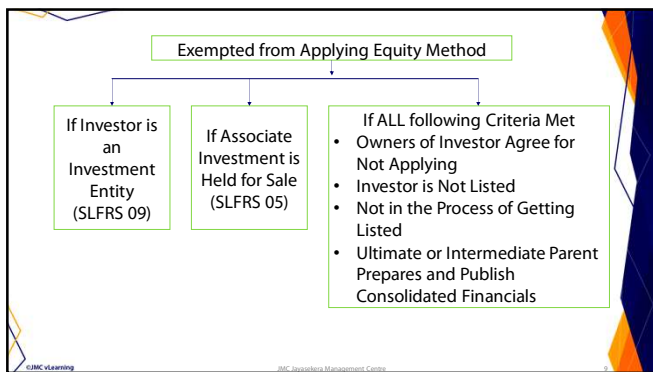
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# Exemptions from Applying Equity Method

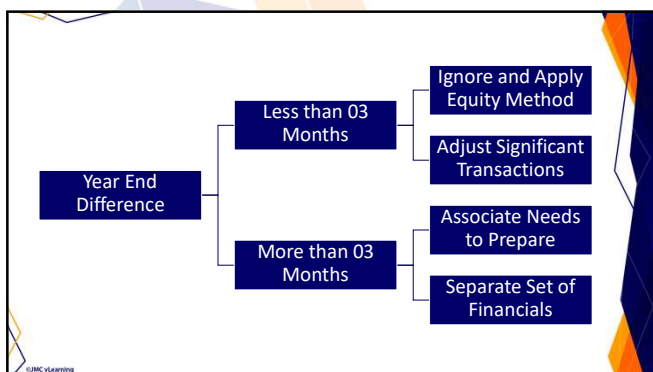
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# What if Associate Year End is Different to Investor's Year End?

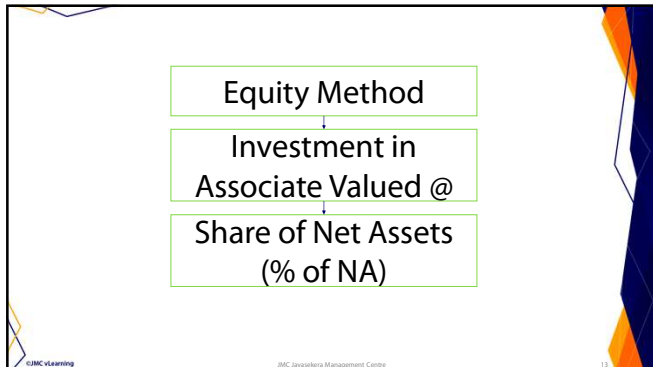
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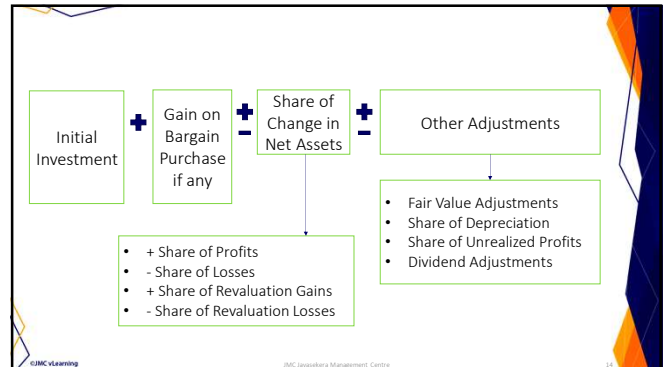
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# Equity Method

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**Question 24**  
 P invested Rs.100,000/- in 25% of equity shares of A on 01 April 2018. As at the date of Investment A had book value of net assets to the value of Rs.320,000/-. There were no fair value adjustments.  
 1. Calculate the Goodwill on Investment in Associate  
 2. Explain the Accounting Treatment

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**Question 25**  
 P invested Rs.60,000/- in 25% of equity shares of A on 01 April 2018. As at the date of Investment A had a book value of net assets to the value of Rs.320,000/-. There were no fair value adjustments.  
 1. Calculate the Gain on Bargain Purchase on Investment in Associate  
 2. Explain the Accounting Treatment

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**Question 26**  
 P invested Rs.100,000/- in 25% of equity shares of A on 01 April 2018. As at the date of Investment A had a book value of net assets to the value of Rs.300,000/- and Fair value gain on Property plant and equipment is Rs.20,000/-  
 1. Calculate the Goodwill on Investment in Associate  
 2. Explain the Accounting Treatment for Fair Value Gain  
 3. The particular property plant and equipment item is subject to depreciation of 20% per annum. Calculate the Depreciation for the year ended 31/3/2019  
 4. Explain the Accounting Treatment for Depreciation

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