

Q1 (a) (ii) (Bim)



$PV = 90$  (1)

NA = 65

FV of

FACTORY = 23 (24-1)

FV of NA = 88 (4)

ACT

OPTION 1 - % of NA

$88 \times 20\% = 17.6$  (2)

FV of NA

% of NA

OPTION 2 - FV of NA

FV 22 (3) ✓

# GOODWILL CALCULATION

INVESTMENT ①  
 + NCI  
 (-) FV OF NA ④  
 GW

NCI @ % OF NA  
 OPTION 1 ✓

90  
 ② 17.6  
 (88)  
 19.6

NCI @ PV  
 OPTION 2

90  
 ③ 22 PV  
 (88)  
 24

$$90 - (88 \times 80\%) = 19.6$$

Investment - (NA to Investor) = Partial GW

GW - P + NCI  
 = Full GW.  
 ↓  
 100%

## (b) IMPAIRMENT

1) SPECIFICALLY IMPAIRED ASSETS.

L & B

CA = 60  
 RA = 56 (60 - 4)  
 Imp. loss = 4

2) OTHER ASSETS.

RECOVERABLE AMT = 100 - 56 = 44 → 100%

CA OF OTHER ASSETS (100 - 60)

+ GW

+ NOTIONAL ADS =  $\frac{19.6}{80} \times 20$

GW WITH NCI @ % OF NA  
 46 → 100%  
 19.6 → 80%  
 4.9 → 20%

GW WITH NCI @ P-1  
 46  
 24  
 —

TOTAL CA

RA

TEMP. LOSS

70.5 → 100%

44 → 100%

26.5

70

44

26

ALLOCATION OF LOSS

1) TO AW

REMAINING LOSS

19.6 + 4.9 = 24.5

24

26.5 - 24.5 = 2

26 - 24 = 2

2) ALLOCATION OF LOSS

TO OTHER ASSETS

- OTHER P&M

- I/A

2 ×  $\frac{15}{(15+9)}$  = 1.25

2 ×  $\frac{15}{(15+9)}$  = 1.25

2 ×  $\frac{9}{(15+9)}$  = 0.75

2 ×  $\frac{9}{(15+9)}$  = 0.75

ACCOUNTING FOR THE LOSS

- ON AW

24.5 × 80% = 19.6

24

AW CR | PRU DR  
ALLOCATED TO  
PARENT ONLY.

AW CR | PRU DR  
ALLOCATED TO  
NCT (20%) &  
PARENT 80%.



# SUMMARY OF LOSS ALLOCATION.

ITEM	CA (BEFORE)	Comp. LOSS	CA (AFTER)
L & B	60	4	56
P&M	15	1.25	13.75
I/A	9	0.75	8.25
CA	22	-	22
GW - % OF NA NCE @	19.6	19.6	-
- NCE @ FY	24	24	-



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