Ex.1

Scenario a:

	-			BS		
	Bank		250,000			-
		I		Share capital	50,000	
				Share premium	200,000	
			250,000		250,000	-
Scenario b	:					
				BS		_
				Receivable for subsc	(250,000)	or
				Share capital	50,000	
				Share premium	200,000	-
					-	
Scenario c						
				BS		-
	Bank	Į	250,000		250.000	
				Advance received	250,000	
			250.000			-
			250,000		<u>Exampl</u>	e 1: issue of shares
Scenario d					SME A	has issued share capital of CU:
Section of	not acc	ounte	d for			rporation of SME A.
	not dee	ounce			a)	At a later date <u>SME</u> A issued fu
					aj	sold them at a price of CU5 per
Ex. 2					b)	At a later date <u>SME</u> A issued fu
				BS		intended to sell them at a price
	Gold		800,000		c)	total amount but cash for SME At a later date <u>SME</u> A intended
		•		Share capital	cj	share and to sell them at a price
				Share premium		have been subscribed for and
			800,000			obligation to refund the cash r
					d)	At a later date <u>SME</u> A intended share and to sell them at a price
						have been subscribed for, but
Ex. 3					1471 +	
				BS		the accounting for issue of add e extracts from the statement c
	Cash		249,000		-	
				Share capital	200,000	
				Share premium	49,000	
						-
			249,000		249,000	
	в с air value, TC - tra			PL - profit and loss statement, FVTPL - fair value	J K through PL, FVTOCI - fair	L M N U value through other comprehensive income
			Financi	ial asset		Financial liability
		debt instrum		equity instrument		debt instrument (if obligation to repay)
_	<u>at ar</u>	nortized cost	at	: FVTPL at FVTOCI (hold and sell strategy for	<u>at amor</u>	tized cost at FVTPL

at FVTOCI (hold and sell strategy for FA aka available for sale securities - investments

at FVTPL (held for trading strategy for FA aka

	General rules:	(hold strategy for FA aka held to maturity securities - investments into debt securities e.g. corporate bonds, certificates of deposite, trade receivables on normal commercial terms****, which company intents to hold to maturity)	trading investments into debt and equity securities and any fin instuments 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 tained 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 intents to redeem c on maturity)
5	initial measurement	FV + TC in BS	FV in BS, TC in PL	FV + TC in BS	FV - TC in BS
1	subsequent measurement	amortized cost*	changes in FV in PL	changes in FV in OCI	amortized cost
2 3 4	Additional notes: should be tested for how FV, if any, is calculated?	impairment testing -	revaluations FV as current market price or as	revaluations FV as current market price or as PV of future	
5	how amortized cost, if	Par value + Effective	PV of future CF	CF -	Par value + Effective interest -

(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 intents to redeem on maturity)	(held for trading strategy for FL aka issue of trading debt and particluar equity securities (pereferance redeemable stocks) and any fin instuments designed as FVTPL on inception e.g. issue of convertible bond with conversion option embedded in it)
FV - TC in BS	FV in BS, TC in PL
amortized cost	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
	revaluations
-	FV as current market price or as PV of future CF
Par value + Effective interest - -	-

Ex. 4

as per 31/12/X0 (move

Bank

as per 01/01/X1 (move

Bank

BS						
Receivable fo	250,000					
		Share capital	50,000			
		Share capital Share premiu	200,000			
	250,000		250,000			

as per 31/01/X2 (move

100,000, which was contributed at par value of CU1 per share	Bank
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. I 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	as per 31/1Dr
received. I to issue further 50,000 ordinary shares at par value CU1 per ce of CU5 per share. The additional 50,000 ordinary shares	Cr as per 01/C Dr
are ye <mark>t to be issued and</mark> paid.	
ditional ordinary shares in every of the presented above cases? of financial position.	Cr
	as per 01/C Dr
	Cr.
	as per 31/C Dr
	Cr
	Cr
equity instrument (if no obligation to repay)	as per 31/C Dr Cr
	Ex.5

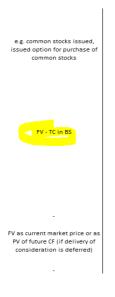
Item Share capital (10,000 Share premium Retained earnings Total equity attributal

as per 01/01/X1 (move

Bank

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

Bank



ement):

BS (2) 0000 Share capital 100,000 100,000 100,000 100,000 100,000 sment): BS 900,000 Share capital Share premium 600,000 Option reserve 50,000 900,000 900,000 Prement): (2) PPE Image: Signal state premium option reserve 50,000 Share capital 350,000 Share premium option reserve 950,000 Option reserve Subsidiary : 1,300,000 1,300,000 Share capital 350,000 Share capital 100,000 Share capital 1,300,000 Bank 1,300,000 Bank 50,000 Share capital 150,000 Share premium 600,000 Bank 50000 Bank 50000 Bank 50000 Share premium 300,000 Share premium 300,000 Stare capital 100,000 <th>ement):</th> <th></th> <th></th> <th></th> <th></th> <th></th> <th></th> <th></th>	ement):							
Share capital 100,000 100,000 100,000 sment): BS 900,000 Share capital 900,000 Share capital 900,000 Share capital 900,000 Share capital 900,000 900,000 900,000 900,000 900,000 900,000 sment): (2) PPE 1,300,000 Share capital 350,000 Share capital 350,000 Ex. 8 Subsidiary Subsidiary 1,300,000 1,300,000 Share capital 100,000 Share capital 100,000 Bank 750,000 Share capital 100,000 Bank 50,000 Share capital 100,000 Bank 50,000 Share capital 100,000 Share capital 100,000 Bank 400,000 Share capital 100,000 Share capital 100,000 Share capi		BS		-				
100,000 100,000 (2) Bank ement): BS (2) PF 900,000 Share capital 250,000 Share premium 600,000 Ex. 7 900,000 900,000 900,000 900,000 900,000 Ex. 7 ement): BS (2) PPE 1,300,000 Share capital 350,000 Share capital 350,000 Ex. 8 0ption reserve Subsidiary Subsidiary 1,300,000 1,300,000 Bank Share capital 100,000 Bank Share capital 100,000 Bank Share capital 150,000 Bank Share capital 100,000 Bank Share capital 100,000 Share capital Share capital 100,000 Share capital Share capital Share capital 100,000 Share capital Share capital Share capital 100,000 Share capital Share capital Share capital 100,000 Shar	100,000	Chana ann ital	100.000					
BS Ex. 7 900,000 Share capital 250,000 Option reserve 50,000 900,000 900,000 900,000 900,000 900,000 900,000 900,000 900,000 900,000 900,000 900,000 900,000 900,000 900,000 sment): Ex. 7 BS (2) PPE 1,300,000 Share capital Share capital 350,000 Share capital 350,000 Share capital Subsidiary J.300,000 I.300,000 Bank 100,000 Bank 50,000 Share capital 150,000 Share capital 100,000 Bank 50000 Bank 50000 Bank 50000 Bank 400,000 Share capital 100,000 Share capital 100,000 Share capital 100,000 Share capital <td< td=""><td></td><td>Share capital</td><td>100,000</td><td></td><td></td><td></td><td></td><td></td></td<>		Share capital	100,000					
BS Ex. 7 900,000 Share capital 250,000 Option reserve 50,000 900,000 900,000 900,000 900,000 900,000 900,000 900,000 900,000 900,000 900,000 900,000 900,000 900,000 900,000 sment): Ex. 7 BS (2) PPE 1,300,000 Share capital Share capital 350,000 Share capital 350,000 Share capital Subsidiary J.300,000 I.300,000 Bank 100,000 Bank 50,000 Share capital 150,000 Share capital 100,000 Bank 50000 Bank 50000 Bank 50000 Bank 400,000 Share capital 100,000 Share capital 100,000 Share capital 100,000 Share capital <td< td=""><td>100,000</td><td></td><td>100,000</td><td>-</td><td></td><td></td><td></td><td>(2) Bank</td></td<>	100,000		100,000	-				(2) Bank
BS 900,000 Share capital 250,000 Share premium 600,000 Option reserve 50,000 900,000 900,000 900,000 900,000 900,000 900,000 900,000 900,000 900,000 900,000 900,000 900,000 900,000 900,000 Share premium 950,000 Share capital 350,000 Share capital 350,000 Share capital 1,300,000 Bank 100,000 Share capital 100,000 Bank 50,000 Share premium 600,000 Bank 50000 Bank 50000 Bank 50000 Bank 50000 Bank 100,000 Share capital 100,000 Share capital 100,000 Share capital 100,000 Share capital 100,000 Share premium 300,000								
900,000 Share capital 250,000 Ex. 7 Share premium 600,000 900,000 900,000 900,000 900,000 900,000 900,000 900,000 900,000 900,000 900,000 900,000 900,000 900,000 900,000 900,000 900,000 900,000 900,000 sment): BS (2) PPE 1,300,000 Share capital 350,000 Ex. 8 Option reserve 950,000 Ex. 8 Subsidiary: J.300,000 1,300,000 Bank Subsidiary: Bank 100,000 Bank Bank Share capital 150,000 Bank Share premium Share capital 150,000 Bank Mark Bank 50000 Bank 100,000 Share premium Option reserve Share capital 100,000 Bask 100,000 100,000 Bank 400,000 Share capital Share premium Option reserve 50,000 Share	ement):							
Share capital 250,000 Ex. 7 Share premium 600,000 000,000 900,000 900,000 (2) PPE ement): BS (2) PPE 1,300,000 Share capital 350,000 Share premium 950,000 Ex. 8 0,000 Share capital 350,000 Share premium 950,000 Ex. 8 0,000 1,300,000 Ex. 8 Subsidiary: Subsidiary: 1,300,000 1,300,000 Bank 100,000 Share capital 100,000 Share capital 100,000 Share premium 600,000 Bank 750,000 Share premium 600,000 Bank 50000 Bank 50000 Bank 100,000 Bank 400,000 Share capital 100,000 Share capital 100,000 Bank 400,000 Share premium 300,000 issues of sh.	000 000	BS		-				
Share premium Option reserve 600,000 50,000 (2) PPE 900,000 900,000 (2) PPE ement): BS (2) PPE 1,300,000 Share capital 350,000 Share premium Option reserve 950,000 Ex. 8 1,300,000 Share capital 350,000 Share premium Option reserve 950,000 Ex. 8 Subsidiary: Subsidiary: 1,300,000 1,300,000 Bank Bank 100,000 Bank Bank 750,000 Bank Share capital 150,000 Bank Share capital 150,000 Contract capital Share capital 100,000 Share capital Share capital Share capital 100,000 Contract capital Share capital Share capital 100,000 Contract capital Share capital Share capital Share premium 300,000 Contract capital Share capital Share capital Share capital Share premium 300,000 Contract capital	900,000	Shara capital	250.000				Ev. 7	
Option reserve 50,000 900,000 900,000 900,000 900,000 sment): BS 1,300,000 Share capital 0ption reserve 350,000 Option reserve Subsidiary: 0ption reserve Subsidiary: 1,300,000 1,300,000 Bank 100,000 Share capital 100,000 Share capital 150,000 Share capital 150,000 Share capital 150,000 Bank 50000 Bank 50000 Bank 50000 Bank 50000 Bank 50000 Bank 50000 Bank 400,000 Share capital 100,000 Share capital 100,000 Share capital 100,000 Option reserve 50,000 Share premium 300,000 Option reserve 50,000 Share premium 50,000 Share premium							EX. /	
900,000 900,000 ement): BS 1,300,000 Share capital 350,000 Share premium 950,000 Ex. 8 0ption reserve Subsidiary: 1,300,000 1,300,000 Bank 100,000 Share capital 100,000 Bank 100,000 Bank 750,000 Share capital 150,000 Share capital 150,000 Share capital 150,000 Bank 50000 Bank 400,000 Share capital 100,000 Bank 50000 Bank 400,000 Share premium 300,000 Option reserve 50,000 Share options 50000 Share premium 50								
BS Subsidiary 1,300,000 Share capital 350,000 Share premium 950,000 Ex. 8 Option reserve Subsidiary 1,300,000 1,300,000 Bank 100,000 Share capital 100,000 Bank 750,000 Share capital 100,000 Bank 750,000 Share capital 150,000 Share capital 150,000 Share capital 150,000 Bank 50000 Bank 50000 Bank 50000 Option reserve 50000 Option reserve 50,000 Option reserve 50,000 Option reserve 50,000 Share premium 50,000 Share options 50000		Option reserve	50,000					
BS Subsidiary 1,300,000 Share capital 350,000 Share premium 950,000 Ex. 8 Option reserve Subsidiary 1,300,000 1,300,000 Bank 100,000 Share capital 100,000 Bank 750,000 Share capital 100,000 Bank 750,000 Share capital 150,000 Share capital 150,000 Share capital 150,000 Bank 50000 Bank 50000 Bank 50000 Option reserve 50000 Option reserve 50,000 Option reserve 50,000 Option reserve 50,000 Share premium 50,000 Share options 50000	900,000		900,000	-				
BS Share capital 350,000 Ex. 8 1,300,000 Share premium 950,000 Ex. 8 Subsidiary: 0ption reserve Subsidiary: Subsidiary: Subsidiary: 1,300,000 1,300,000 Ex. 8 Subsidiary: Bank 100,000 1,300,000 Profit Bank 750,000 Bank Bank Share capital 150,000 Bank Source Share capital 150,000 Share premium 600,000 Bank 50000 Share capital Share capital Share capital Share premium 600,000 Share capital Share capital Share capital Share premium 300,000 OB Share capital Share capital Share capital Share premium 300,000 OB 100,000 100,000 Option reserve 50,000 issue of options 50,000 Share premium 50,000 issue of sha 100,000 350,000								(2) PPE
1,300,000 Share capital 350,000 Ex. 8 Option reserve Subsidiary: Subsidiary: 1,300,000 1,300,000 Ex. 8 Bank 100,000 Share capital Subsidiary: Bank 100,000 Bank Bank Bank 750,000 Bank Bank Bank 750,000 Bank Bank Bank 50000 Ex. 8 Bank Bank 50000 Bank Bank Subsidiary: Bank 50000 Bank Subsidiary: Subsidiary: Bank 750,000 Bank Subsidiary: Subsidiary: Bank 50000 Bank Subsidiary: Subsidiary: Bank 50000 Bank Subsidiary: Subsidiary: Share capital 100,000 Share capital Share capital Share capital Share premium 300,000 OB Susses of sh: 150,000 600,000 Option reserve 50,000 issue of opti	ement):							
Share capital Share premium Option reserve350,000 950,000Ex. 8Option reserveSubsidiary : Subsidiary : Subsidiary : ProfitBank100,000Share capital100,000Share capital100,000Share capital150,000Share premium Option reserve50000Bank50000Bank50000Share capital100,000Share premium Share premiumShare capital Share premiumShare premium00000Bank50000Option reserve50000Share premium00000Option reserve50,000Share premium300,000Option reserve50,000Share premium300,000Option reserve50,000Share premium50,000Share premium50,000Share premium50,000Share premium50,000Share premium50,000		BS		_				
Share premium Option reserve950,000Ex. 81,300,0001,300,000Subsidiary: Subsidiary: ProfitBank Bank100,000Share capital100,000Share capital150,000Share premium600,000Bank Option reserve50000Bank Share premium50000Bank Option reserve50000Bank Option reserve50000Bank Share premium00,000Bank Option reserve50000Bank Share premium000Option reserve50,000Share premium000Option reserve50,000Share premium300,000Option reserve50,000Share premium300,000Option reserve50,000Share premium50,000Share premium50,000Share premium50,000Share premium50,000	1,300,000							
Option reserveSubsidiary: Subsidiary: Subsidiary: ProfitBank100,000Share capital100,000Bank750,000Share capital150,000Share premium600,000Bank50000Bank50000Bank50000Bank100,000Bank50000Bank50000Bank50000Depreseive50000Bank400,000Share capital100,000Share premium300,000Option reserve50,000Option reserve50,000Share premium50,000Share premium50,000Share premium50,000Share premium50,000Share premium50,000Share premium50,000Share premium50,000Share premium50,000Share premium50,000Share premium50,000		•	-					
Subsidiary : 1,300,000 1,300,000 Profit Profit Bank 100,000 Share capital 100,000 Bank 750,000 Share capital 150,000 Share premium 600,000 Bank 50000 Option reserve 50000 OB 100,000 Share premium 300,000 OB 100,000 Share premium 50,000 Option reserve 50,000 Share premium 50,000 Share premium 50,000 Share premium 50,000			950,000				Ex. 8	
1,300,000 1,300,000 Profit Bank 100,000 Bank Bank Bank 750,000 Bank Bank Bank 750,000 Share capital 150,000 Share capital 150,000		Option reserve						
Bank100,000Share capital100,000Bank750,000Share capital150,000Share premium600,000Bank50000Bank50000Bank50000Bank50000Bank100,000Bank400,000Share capital100,000Share premium000Option reserve50000OB100,000Issues of sh:150,000Option reserve50,000Share premium50,000Share premium50,000Share premium50,000Share premium50,000Share premium50,000Share premium50,000				_				
Share capital100,000BankBank750,000Share capital150,000Share premium600,000Bank50000Option reserve50000Bank400,000Share capital100,000Share capital100,000Share premium300,000Option reserve50,000Share premium300,000Option reserve50,000Share premium50,000Share premium50,000Share premium50,000Share premium50,000	1,300,000		1,300,000					Profit
Share capital100,000BankBank750,000Share capital150,000Share premium600,000Bank50000Option reserve50000Bank400,000Share capital100,000Share capital100,000Share premium300,000Option reserve50,000Share premium300,000Option reserve50,000Share premium50,000Share premium50,000Share premium50,000Share premium50,000								
Share capital100,000BankBank750,000Share capital150,000Share premium600,000Bank50000Bank50000Bank50000Bank400,000Share capital100,000Share capital100,000Share premium300,000Option reserve50,000Share premium300,000Option reserve50,000Share premium50,000Share premium50,000Share premium50,000Share premium50,000Share premium50,000	Bank	100,000						
Bank750,000Share capital150,000Share premium600,000Bank50000Option reserve50000Bank400,000Share capital100,000Share capital100,000Share premium300,000OB100,000Share premium300,000Option reserve50,000Share premium50,000Share premium50,000Share premium50,000Share premium50,000Share premium50,000Share premium50,000Share premium50,000Share premium50,000	Share capital							Bank
Share capital150,000Share premium600,000Bank50000Option reserve50000Bank400,000Share capital100,000Share capital100,000Share premium300,000OB100,000issues of sh:150,000Option reserve50,000Share premium50,000Share premium50,000Share premium50,000Share premium50,000	•	,						I
Share premium600,000Bank50000Option reserve50000Bank400,000Share capital100,000Share capital100,000OB100,000Share premium300,000Option reserve50,000Option reserve50,000Share premium50,000Share premium50,000Share premium50,000Share premium50,000Share premium50,000	Bank	750,000						
Bank50000Option reserve50000Bank400,000Share capital100,000Share premium300,000OB100,000issues of sh:150,000Option reserve50,000Share premium50,000Share premium50,000Share premium50,000Share premium50,000	Share capital	150,000						
Option reserve 50000 Bank 400,000 Share capital 100,000 Share premium 300,000 OB 100,000 Share premium 300,000 Option reserve 50,000 Share premium 50,000 issue of options 50,000 Share premium 50,000	Share premium	600,000						
Option reserve 50000 Bank 400,000 Share capital 100,000 Share premium 300,000 OB 100,000 Share premium 300,000 Option reserve 50,000 Share premium 50,000 issue of options 50,000 Share premium 50,000	Pank	50000						
Bank 400,000 Share capital 100,000 Share premium 300,000 OB 100,000 issues of shi 150,000 Option reserve 50,000 Share premium 50,000 issue of options 50,000 Share premium 50,000								
Share capital 100,000 Share capital Share premium Option reserve Share premium 300,000 OB 100,000	OptionTeserve	50000						
Share premium 300,000 OB 100,000 issues of shi 150,000 600,000 Option reserve 50,000 issue of options 50000 Share premium 50,000 issue of sha 100,000 350,000	Bank	400,000						
issues of sh 150,000 600,000 Option reserve 50,000 issue of options 50000 Share premium 50,000 issue of sha 100,000 350,000 (50,000)	Share capital	100,000			<u>Share</u>	capital	Share premium	Option rese
Option reserve 50,000 issue of options 50000 Share premium 50,000 issue of sha 100,000 350,000 (50,000)	Share premium	300,000		OB		100,000		
Share premium 50,000 issue of sha 100,000 350,000 (50,000)				issues of sha		150,000	600,000	
•	Option reserve	50,000		issue of opt	ions			50000
CB 350,000 950,000 -	Share premium	50,000		issue of sha		100,000	350,000	(50,000)
				СВ		350,000	950,000	-

Ex.6

	Value (CU)
ordinary shares a	100,000
	500,000
	600,000
ble 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 pa ₎ Cr Bank	50,000 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 o	f company A	
20,000	NCI (liability to 3d par Business result	15,000
	Business result	5,000
20,000		20,000
20,000		20,000

Example 8: change in a parent's

Since SME Z was formed it has December 20X5, when the carr holding in SME Z to 60 per cent

What is the accounting for char

Total

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

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.

nge in SME A's interest in SME Z?