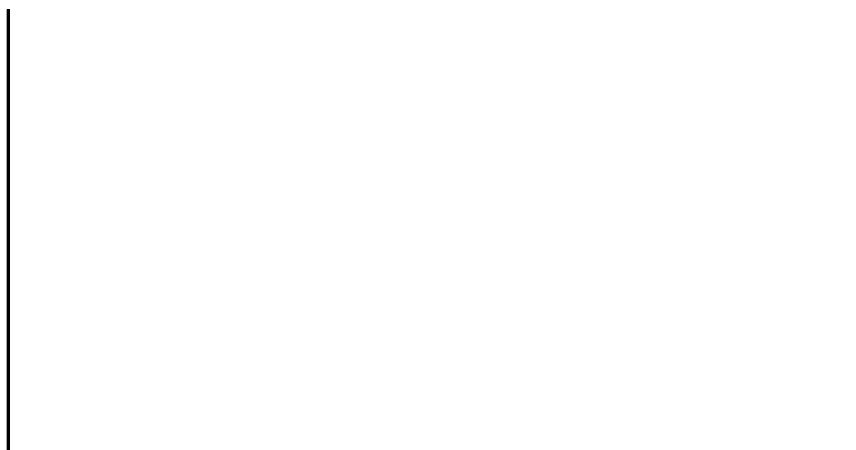


Abbreviations: FV - fair value, TC - transaction costs, BS - balance sheet, PL - profit and loss statement,

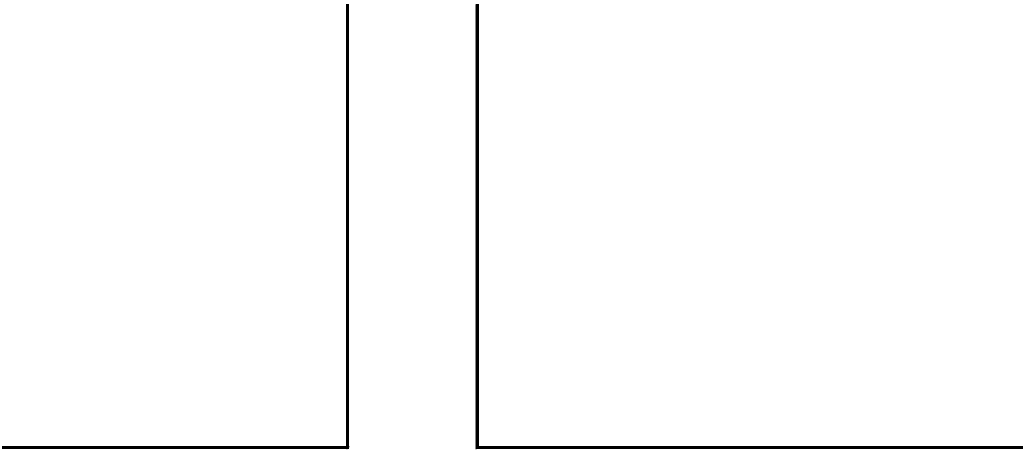
	debt instrument	<u>Financial asset</u>
	at amortized cost (hold strategy)	at FVTPL (others)
<u>General rules:</u>		
initial measurement	FV + TC in BS	FV in BS, TC in PL
subsequent measurement	amortized cost	changes in FV in PL
<u>Additional notes:</u>		
should be tested for	impairment testing	revaluations
how FV, if any, is calculated?	-	FV as current market price or as PV of future CF
how amortized cost, if any, is calculated?	Par value + Effective interest - Repayment	-
how transaction costs for FL are calculated?		
how TC for FL which is equity instrument are recorded in BS?		

what can be issued as FL
equity instrument?



. FVTPL - fair value through PL, FVTOCI - fair value through other comprehensive income

equity instrument	debt instrument (if obligation to repay)
at FVTOCI (hold and sell strategy)	at amortized cost (others)
FV + TC in BS	FV - TC in BS
changes in FV in OCI	amortized cost changes in in value change, b change, in b
revaluations	-
FV as current market price or as PV of future CF	FV as curre -
-	Par value + Effective interest - Repayment TC = % paid, discount on issue, premium on redumption, issue costs



ie

<u>Financial liability</u>	equity instrument (if no obligation to repay)
at FVTPL (held for trading)	
FV in BS, TC in PL	FV - TC in BS
FV in PL; however if change is due not to general % but due to entity credit risk this case difference should be recorded in OCI	
revaluations	-
at market price or as PV of future CF	FV as current market price or as PV of future CF (if delivery of consideration is deferred)
-	-
	TC reduce Share premium or Retained earnings accounts

shares issued at normal market price, bonus issue of shares (as non-cash dividends), stock right issue (issue of shares at reduced market price), convertible bond issue (ordinary shares can be delivered at maturity instead of cash), share options issue (allow purchase shares in the future at set price)