

Parent sold to Subsidiary at margin of 10% (all sales are done at margin of 10%)

90 CU      5 CU  
external sa internal sales

Sales recorded

99          5.5      104.5  
external sa internal sales

Parent's records (initial entry):

Db	AR	99	5.5	<b>104.5</b>
Cr	Sales			<b>104.5</b>

Db	COGS	90	5	<b>95</b>
Cr	Stock			<b>95</b>

Parent's FS

Subsidiary's FS

Group's FS

AR		104.5
Stock		0
Sales	104.5	
COS	95	
		9.5

AP	5.5
Stock	5.5

AR
Stock
AP
Sales
COS

Parent's records (correcting entry):

Db	Sales	5.5
Cr	AR	5.5

Db	Stock	5
Cr	COGS	5

Parent's FS

Subsidiary's FS

Group's FS

AR		99
Stock		5
Sales	99	
COS	90	
		9

AP	0
Stock	0

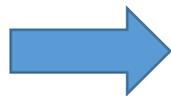
AR
Stock
AP
Sales
COS

PUP	0.5
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104.5  
5.5  
5.5  
104.5  
95

Mov-t in Group accounts:

99  
5  
0  
99  
90



AR            -5.5 Cr  
Stock        -0.5 Cr  
AP            -5.5 Db  
Sales        -5.5 Db  
COS          -5 Cr

Db  
Cr  
  
Db  
Cr  
Cr

AP            5.5  
AR            5.5

Sales        

	5.5
	5

 =>  
COS  
Stock        0.5

Db	PUP	0.5
Cr	Stock	0.5