Modul Jawaban Koeliah

2020

Akuntansi Keuangan Lanjutan 1

UTS Semester Ganjil

2020/2021

Problem 1 - Intercorporate Acquisition and Investment in Other Entities and Concept of Control

Below is The Statement of Financial Position for PT.Lucio and PT.Tora on December 31 2019:

Statement of Financial Position
December 31, 20X9
(in 000 Rupiah)

Accounts	PT. Lucio	PT.Tora	
	Book Value	Book Value	Fair Value
Cash	360.000	83.000	83.000
Account Receivable	150.000	90.000	90.000
Inventory	85.000	50.000	75.000
Buildings and Equipment	200.000	150.000	175.000
Less: Accumulated Depreciation	(80.000)	(25.000)	
Patents	67.000	100.000	100.000
Total Assets	782.000	448.000	523.000
Account Payable	162.000	139.000	139.000
Bonds Payable	120.000	235.000	235.000
Common Stock			
250 par value	320.000		
150 par value		24.000	
Retained Earnings	180.000	50.000	
Total Liabilities and Equities	782.000	448.000	

Required:

1. Prepare all journal entries if on 31 December 20X9 PT Lucio acquired all of PT Tora's net assets by issuing 600.000 common stock with a fair value of Rp 300 per share and a par value of Rp. 250 per share. PT Lucio also paid Rp. 60.000.000 on acquisition expense and Rp. 25.000.000 share issuance expense.
2. Prepare a balance sheet for PT Lucio after PT Lucio's net asset acquisition on PT Tora.
3. Prepare all journal entries, if instead, on 31 December 20X9 PT Lucio acquired 100% of PT Tora's stocks by issuing 600.000 common stock with a fair value of Rp 300 per share (par value of Rp 250 per share) as well as Rp. 185.000.000 in cash. PT Lucio also paid Rp. 60.000.000 on acquisition expense and Rp. 25.000.000 share issuance expense.

Problem 2 – Consolidation of Wholly Owned with No Differential

PT. Fischl acquired 100% of PT. Oz's common stock for $470.000 on 1 January 20x9 when Oz's net assets has a book value of $470.000. PT. Fischl uses the equity method in calculating investments. PT. Fischl and PT. Oz's trial balance for 31 December 20x9 is as shown below:

Account	PT. Fischl	PT. Oz
Cash	480.000	300.000
Accounts Receivable	330.000	115.000
Inventory	371.000	210.000
Building and Equipment	150.000	180.000
Land	80.000	200.000
Cost of Goods Sold	260.000	45.000
Selling and Administrative Expenses	40.000	20.000
Depreciation Expenses	10.000	8.000
Other Expenses	4.000	12.000
Dividends Declared	15.000	5.000
Investment in Oz	512.000	-
Accumulated Depreciation	(50.000)	(160.000)
Accounts Payable	(585.000)	(45.000)
Bonds Payable	(700.000)	(300.000)
Common Stock	(500.000)	(240.000)
Retained Earnings	(40.000)	(230.000)
Sales	(330.000)	(120.000)
Income from Oz	(47.000)	-
Total	-	-

Required:

1. Prepare journal entries in regards to PT. Fischl's investment on PT. Oz for the year 20x9 using the equity method and cost method.
2. Reconciliate PT Fischl's Investment in Oz with PT. Oz's equity value in 20x9.
3. Prepare elimination and reconciliation entries for the consolidated financial statements using the equity method and cost method

Problem 3 - Consolidation of Wholly Acquired Subsidiaries at More Than Book Value

Alterra Corporation is a multinational tech company which acquired 100% of Degasi Corporation, a hardware manufacturing company on January 1st 2020, for $4.185.000

The following are selected account balances (in USD) from Alterra Corp. and Degasi Corp. as of December 31, 2020:

Account	Alterra Corporation	Degasi Corporation
Current Assets	7.600.000	3.830.000
Buildings and Equipment	3.750.000	1.950.000
Patents	2.500.000	450.000
Cost of Goods Sold	5.670.000	1.500.000
Depreciation Expenses	500.000	450.000
Other Expenses	2.340.000	375.000
Dividends Declared	890.000	435.000
Investment in Degasi	4.685.000	-
Accumulated Depreciation	(1.500.000)	(500.000)
Liabilities	(5.750.000)	(1.850.000)
Common Stock	(7.000.000)	(2.350.000)
Retained Earnings	(4.500.000)	(950.000)
Sales	(8.250.000)	(3.340.000)
Income from Degasi	(935.000)	-
Total	-	-

Additional Information:

1. On January 1st 2020, the fair market value (FMV) of Degasi's assets all were equal to their book values with the exception of Plant Assets (with an estimated economic life of 8 years) which had an FMV **in excess** of Degasi's depreciable assets of $640.000
2. Alterra Corp. **used the equity method** in accounting for its investment in Degasi.

Required:

1. Prepare all journal entries recorded by Alterra Corp. in regards to its investment in Degasi during 2020.
2. Prepare all eliminating entries needed to prepare a full set of consolidated financial statements for 2020.

Problem 4 - Consolidation of Less Than Wholly Owned Subsidiaries at More Than Book Value

Potato Corporation acquired 80% of Lettuce Corporation's common stock on January 1 20x9 for $105.500. At that date, the fair value of non controlling interest was $26.375. Data from the balance sheet of the two companies included the following amounts as of the date of acquisition:

Account	Potato Corporation	Lettuce Corporation
Cash	80.000	33.000
Accounts Receivable	110.000	115.000
Inventory	37.000	21.000
Building and Equipment	150.000	80.000
Cost of Goods Sold	60.000	16.000
Wage Expenses	20.000	10.000
Depreciation Expenses	15.000	8.000
Other Expenses	24.000	6.000
Dividends Declared	9.000	5.000
Investment in Lettuce	162.800	-
Accumulated Depreciation	(45.000)	(16.000)
Accounts Payable	(52.000)	(45.000)
Bonds Payable	(120.000)	(3.000)
Common Stock	(180.000)	(40.000)
Retained Earnings	(40.000)	(40.000)
Sales	(169.500)	(150.000)
Income from Lettuce	(61.300)	-
Total	-	-

Additional Information:

1. On acquisition, Lettuce Corporations Net Assets book value was $80.000
2. On January 1st 20x9, the fair market value (FMV) of Lettuce's assets all were equal to their book values with the exception of Building and Equipment (with an estimated economic life of 10 years) which had an FMV **in excess** of Lettuce's depreciable assets of $15.000
3. At December 31 20x9, Potato Corporation's goodwill from its purchase on Lettuce Corporation had been impaired and the correct carrying amount was $5.000. (Goodwill and its impairment is assigned proportionately to controlling and non-controlling shareholders)
4. Lettuce Corporation's Accumulated depreciation was $8.000 on the date of acquisition
5. Potato Corp. **used the equity-method** in accounting for its investment in Lettuce.

Required:

1. Prepare all journal entries recorded by Potato Corp. in regard to its investment in Lettuce during 20x9.
2. Prepare all eliminating entries needed to prepare a full set of consolidated financial statements for 20x9.
3. Prepare a three-part consolidation worksheet as of December 31 20x9

Problem 5 - Intercompany Transfer of Inventory

Vault-Tec acquired 75% of NCR's voting common shares on January 1st 2022, for $222.000. At that date, the non-controlling interest had a fair value of $74.000 and NCR reported $107.000 of common stock outstanding and retained earnings of $78.000. The differential is assigned to buildings and equipment, which had a fair value $63.000 higher than book value and a remaining 9-year life, and to patents, which had a fair value $48.000 higher than book value and a remaing life of 12-year at the date of the business combination. Trial balance for the companies as of December 31, 2023, are as follows:

Accounts	Vault-Tec	NCR
Cash & AR	$ 45.850	$ 31.600
Inventory	$ 185.400	$ 96.000
Land	$ 266.000	$ 147.000
Building & Equipment	$ 345.000	$ 280.000
Investment in NCR	$ 293.400	$ -
COGS	$ 206.750	$ 89.700
Depreciation Expense	$ 45.000	$ 23.700
Interest Expense	$ 69.000	$ 7.800
Dividends Declared	$ 40.000	$ 19.000
Accumulated Depreciation	$ (160.000)	$ (78.000)
Account Payable	$ (148.000)	$ (38.000)
Bonds Payable	$ (280.000)	$ (123.000)
Bond Premium	$ -	$ (1.800)
Common Stock	$ (270.000)	$ (107.000)
Retained Earnings (Beginning)	$ (127.900)	$ (78.000)
Sales	$ (386.200)	$ (269.000)
Other Income	$ (13.600)	$ -
Income from NCR	$ (110.700)	$ -
Total	$ -	$ -

On January 1, 2023, Vault-Tec held inventory purchased from NCR for $72.000. During 2023, Vault-Tec purchased an additional $108.000 of goods from NCR and held $48.000 of its purchases on December 31, 2023, NCR sells inventory to Vault-Tec at 25% above cost.

NCR also purchases inventory from Vault-Tec. On January, 1 2023, NCR held inventory purchased from Vault-Tec for $26.000 and on December 31, 2023 it held inventory purchased from Vault-Tec for $6.500. NCR's total purchases from Vault-Tec were $65.000 in 2023. Vault-Tec sells items to NCR at 30% above cost

Assume Vault-Tec uses the fully adjusted equity method, that both companies use straight-line depreciation, and that no property, plant, and equipment has been purchased since the acquisition.

Required:

a. Give all consolidation entries needed to prepare a full set of consolidation financial statement at December 31, 2023.
b. Prepare the three-part consolidation worksheet for 2023

Problem 6 – Intercompany Transfers of Non-current Assets and Services

Vleo Corp acquired 75% of Martabak Corp's voting common stock on January 1 2017 for $258.000. Martabak reported common stock outstanding of $150.000 and retained earnings of $95.000. The fair value of non-controlling interest was $86.000 at the date of acquisition. Copyright owned by Martabak had a fair value of $30.000 higher than the book value. The remainder of the differential was assigned to the building and equipment held by Martabak.Buildings and equipment had a 5 year life at the date of acquisition while copyright had a 10 year life at the date of acquisition. Trial balance of Vleo Crop and Martabak Corp on December 31 2019 are as follows:

Accounts	**Vleo Corp**	**Martabak Corp**
Cash	$ 68.000	$ 39.600
Accounts Receivable	$ 95.400	$ 77.000
Inventory	$ 105.700	$ 68.000
Land	$ 366.000	$ 25.000
Building & Equipment	$ 330.000	$ 180.000
Copyright	$ 108.000	$ 88.000
Bond Discount		$ 20.000
Investment in Martabak Corp	$ 229.450	
COGS	$ 250.750	$ 91.250
Depreciation Expense	$ 54.000	$ 15.000
Interest Expense	$ 96.000	$ 8.750
Miscellaneous Expense	$ 108.000	$ 60.000
Dividends Declared	$ 55.000	$ 13.000
Accumulated Depreciation	$ (150.000)	$ (36.000)
Accounts Payable	$ (280.000)	$ (33.000)
Notes Payable	$ (314.400)	$ (85.000)
Common Stock	$ (450.000)	$ (150.000)

Additional Paid In Capital – Common	$ (90.000)	$ (71.000)
Retained Earnings	$ (125.500)	$ (107.000)
Sales	$ (405.350)	$ (156.000)
Other Income	$ (47.000)	$ (38.000)
Gain on sale of equipment	$	$ (9.600)
Income from Martabak	$ (4.050)	$ -
Total	$ -	$ -

Vleo sold land it had purchased for $12.000 to martabak on October 20, 2018 for $18.000. Martabak plans to use the land for future factory expansion. On January 1 2019, Martabak sold equipment to Vleo for 69.600. Martabak purchased the equipment on January 1, 2017 for $100.000 and depreciated it on a 5 year basis without any estimated residual value. The estimated economic life and residual value of the equipment remain unchanged as a result of the transfer and both corporation uses the straight-line method of depreciation. Assume Vleo uses the fully adjusted method.

Required:

1. Compute the amount of income assigned to non-controlling interest in the consolidated income statement for 2019
2. Prepare all elimination entries needed to prepare a full set of consolidated financial statements at December 31 2019