

Financial Reporting 2024-25

04/2024

Exam Practice Kit

Solution to Q125

The solution states that the answer is \$3,863,000 but it should be \$6,863,000.

Question 165-166 and solution to Q165-166

There is an error in both the question and the solution. The solution to Q165 rounds the answer to the nearest \$'000 instead of the nearest \$ and the distractor in Q166 is incorrect.

- 165 What is the amount that will be recognised as finance costs for the year ended 30 September 20X1? (Enter your answer to the nearest whole \$.)

\$ (2 marks)

- 166 What is the amount that should be shown under liabilities at 30 September 20X1?

- ~~\$9,425,000~~ \$9,425,200
 \$9,925,000
 \$9,690,000
 Nil (2 marks)

- 165 \$ ~~735,000~~ \$735,200

\$'000

Interest payable (\$10m × 5% × 2.58*)

1,290

Capital repayable (\$10m × 0.79)

7,900

Debt element

9,190

Finance costs for year = 9,190 × 8%

~~735~~ 735.2

- 166 The correct answer is: ~~\$9,425,000~~ \$9,425,200

\$'000

1 October 20X0

9,190

Finance charge 8%

~~735~~ 735.2

Interest paid (10,000 × 5%)

(500)

Balance 30 September 20X1

~~9,425~~ 9,425.2

Page 269, Solution to Q317

The solution to the question is correct, however the explanation should state that unrealised profit is eliminated by increasing rather than decreasing cost of sales.

317 The correct answers are:

Account	
Cost of sales	Debit
Investment in associate	Credit

Plateau Co is the seller and therefore this is a downstream transaction. The unrealised profit is eliminated by decreasing cost of sales. The unrealised profit is within the inventory of the associate which is not presented in the consolidated statement of financial position and therefore an adjustment is made to the investment in associate.

Solution to Q340 Print Co

The total of trade and other payables should read 3,820 not 3,920.

Current liabilities

Trade and other payables (4,170 - 350)	3,920	
Provisions (W5)	<u>1,125</u>	
		<u>4,945</u>
Total equity and liabilities		<u>89,240</u>

Question 346 and solution to Q346 Flamingo

The year end in the requirement and solution should state 30 June 20X2 not 31 December 20X2.