



Bài tập ôn luyện DipIFR phần B.3. Giảm giá trị tài sản

Tài liệu dipIFR B.3. Giảm giá trị tài sản

December 2018

Question 2c

Epsilon is an entity which prepares financial statements to 30 September each year.

(c) Impairment review

During the final few months of the accounting period ending on 30 September 2018, Epsilon experienced difficult trading conditions. These difficulties did not affect the ability of Epsilon to operate as a going concern. In an impairment review of the machine at 30 September 2018, the directors of Epsilon estimated that the machine's recoverable amount was \$2.5 million. (4 marks)

Relevant exchange rates (francs to \$1) are as follows:

- 1 April 2018 – 10 francs to \$1.
- 30 April 2018 – 9.5 francs to \$1.
- 31 July 2018 – 9 francs to \$1.
- 30 September 2018 – 8 francs to \$1.
- Average rate for the period from 1 April 2018 to 30 September 2018 – 9.2 francs to \$1.

Required:

Explain and show with appropriate calculations how the above events would be reported in the financial statements of Epsilon for the year ended 30 September 2018. Marks will be awarded for BOTH figures AND explanations.



Answer

Impairment review	
The total initial cost of the machine will be \$2,454,300 (\$2 million + \$250,000 + \$204,300).	$\frac{1}{2} + \frac{1}{2}$
The machine will be depreciated from 1 April 2018 over its five-year useful life, so the depreciation charge for the year ended 30 September 2018 will be \$245,430 (\$2,454,300 x $\frac{1}{5}$ x $\frac{6}{12}$).	$\frac{1}{2} + \frac{1}{2}$
The closing carrying amount of the machine in PPE will be \$2,208,870 (\$2,454,300 – \$245,430). This will be shown as a non-current asset in the statement of financial position at 30 September 2018.	$\frac{1}{2} + \frac{1}{2}$
The difficult trading conditions experienced by Epsilon in the final few months of the financial year is an indicator that the machine could have suffered impairment. Therefore a review is required. However, since the recoverable amount (\$2.5 million) of the machine is higher than its carrying amount, no impairment loss needs to be recorded.	$\frac{1}{2} + \frac{1}{2}$