ICPAR
Unlimited possibilities

**CERTIFIED PUBLIC ACCOUNTANT** 

INTERMEDIATE LEVEL EXAMINATIONS 2022 I1.2: FINANCIAL REPORTING

TUESDAY, 29 NOVEMBER 2022

MARKING GUIDE AND MODEL ANSWER

### RNOV2022ICPAI**QUESTION ONE** 2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022IC

# rnov20221cpai**Marking Guide**0v20221cparnov20221cparnov20221cparnov20221cparnov20221cparnov20221cparnov20221c

a) The difference between cash issue, right issue, and bonus issue				
Cash Issue: ARNOV2022ICPARNOV2022ICPAL Well explained cash issue. ARNOV2022ICPA				
Right issue: RNOV2022ICPARNOV2022ICPA	- Issued to the existing shareholders	NOV2022		
NOV2022ICPARNOV2022ICPARNOV2022ICPA	- Issued at a discount 21CPARNOV2022ICPAR	R <b>M</b> OV2022		
Bonus issue: RNO V2022ICPARNO V2022ICPA	- Issued to the existing owners.	NOV2022		
RNOV2022ICPARNOV2022ICPARNOV2022ICPA	- Issued for no consideration i.e., no cash	NOV2022		
RNOV2022ICPARNOV2022ICPARNOV2022ICPA	raised.22ICPARNOV2022ICPARNOV2022ICPAI	NOV2022		
Sub-total Parnov20221CPARNOV20221CPA	NOV20221CPARNOV20221CPARNOV20221CPA1	60V2022		

RNOV2022ICF	$\frac{20221C1^{2}ARNO^{2}20221C1^{$	EICPARNOV2022IO	CPARNOV2022IC
RNOV2022ICF	A reasonable brief definition (or illustration/ explanation) of Basic EPS	HCPARNOV202216	CPARNOV2022IC
RNOV2022ICF	A reasonable brief definition (or illustration / explanation) of Diluted EPS	ZICPARNOV2022I	CPARNOV2022IC
RNOV2022ICF	Sub-total for Q1 (b) (i)	HCPARNOV2022H	CPARNOV2022IC
RNOV2022ICF RNOV2022ICF	PAL <b>ii</b> ) V2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV202	ZICPARNOV 201 <del>2</del> 10 ZICPARNOV 2022 IO	CPARNO V 2022IC CPARNO V 2022IC
RNOV2022ICF RNOV2022ICF RNOV2022ICF	Weighted average number of shares: Award up to 1 mark for each correct computed weighted average number of shares in year 2020 (0.5 marks for the	PICPARNOV2021 PICPARNOV20221 PICPARNOV20221	CPARNOV2022IC CPARNOV2022IC CPARNOV2022IC
RNOV2022ICF	first 6 months and 0.5 marks for the last 6 months)	HCPARNOV202216	CPARNOV2022IC
RNOV2022ICF RNOV2022ICF	Annual Basic EPS: Award as below:  1 mark for the correct computation of the Basic EPS for 2020	PICPARNOV202 <mark>2</mark> 10 PICPARNOV202210	CPARNOV2022IC CPARNOV2022IC
RNOV2022ICF	1 mark for the correct computation of the Basic EPS for 2019	21CPARNO V 202210 21CPARNO V 202210	CPARNO V 2022IC
RNOV2022ICF RNOV2022ICF RNOV2022ICF	<b>Do Not Award:</b> No mark is awarded for a narrative reference to the principles regarding the accounting standard having no lead to the relevant computation as required in this question as the requirement is only computational	ICPARNOV2022ICPARNOV202ICPARNOVA	CPARNOV2022IC CPARNOV2022IC CPARNOV2022IC
RNOV2022ICF RNOV2022ICF	PAJENOV 2022 I CPARNOV 2022 I PAJE <b>Sub-total</b> parnov 2022 I CPARNOV 2022 I	MCPARNOV202210 MCPARNOV202 <b>3</b> 10	CPARNOV2022IC CPARNOV2022IC
RNOV2022ICF RNOV2022ICF	iii) 2022ICPARNOV202ICPARNOV202ICPARN	PICPARNOV2022IQ PICPARNOV2022IQ PICPARNOV202 <b>I</b> IQ	CPARNOV2022IC CPARNOV2022IC
RNOV2022ICF RNOV2022ICF RNOV2022ICF	Award 1 mark for a correct computation of the number of additional ordinary shares after conversion of the convertible loan notes:	LICPARNOV2021 LICPARNOV20221	CPARNOV2022IC CPARNOV2022IC
RNOV2022ICF	Award 1 mark for the correct computation of the interest cost saving after tax:	ICPARNOV202210	CPARNOV 2022IC
RNOV2022ICF	Award 1 mark for the correct computation of the Diluted EPS	2ICPARNOV2022I	CPARNOV2022IC
RNOV2022ICF RNOV2022ICF	Award 1 mark for the correct computation of the Dilution (dilutive effect of the convertible loan notes) CPARNOV2022ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV	PICPARNOV202 <mark>1</mark> 10 PICPARNOV202210	CPARNOV2022IC CPARNOV2022IC
RNOV2022ICF RNOV2022ICF RNOV2022ICF RNOV2022ICF	<b>Do Not Award:</b> No mark is awarded for a narrative reference to the principles accounting standard having no lead to the relevant computation as required in the requirement is only computational	s regarding the	CPARNOV2022IC CPARNOV2022IC CPARNOV2022IC CPARNOV2022IC
RNOV2022ICF	PAR Sub-total PARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022	2ICPARNOV202510	CPARNOV2022IC
RNOV2022ICF	PARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022	2ICPARNOV2022IO	CPARNOV2022IC

RNOV2022ICPA<mark>T1.2</mark>V2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV RNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV

Ne) 2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPAR	RNOV2022ICPA	RNOV2022ICP	ARNOV2022
Award 0.5 for computing PV of interest for 4 years ar	nd for year 5	RNOV2022ICP	RNOV2022
including principal:0221CPARNOV2022ICPARNOV2022ICPAR	RNOV2022ICPA RNOV2022ICPA	RNOV2022ICP	ARNOV2022
<b>Note</b> : If the student used annuity interest factor for comp	uting liability	RNOV2022ICP	ARNOV2022
of interest, he/she deserve the total marks	RNOV2022ICPA	RNOV2022ICP	2.5 V2022
Total PV liability component OV2022ICPARNOV2022ICPAR	RNOV2022ICPA RNOV2022ICPA	RNOV2022ICPA	<b>0.5</b> )V2022
Equity Component (Balancing figure)	RNOV2022ICPA Rnov2022ICPA	RNOV2022ICP RNOV2022ICP	ARNOV2022 AHNOV2022
Do Not Award: No mark is awarded for a narrative re-	ference to the	principles reg	garding the
accounting standard having no lead to the relevant comp	outation as req	uired in this	question as
the requirement is only computational CPARNOV2022ICPA	RNOV2022ICPA	RNOV2022ICP	ARNOV2022
Sub-total parno v <u>2022 i cparno v2022 i cparno v2022 i cpa</u> Nub-total Nub-total parno v2022 i cparno v2022 i cparno v2022 i cpa	<del>rnov2022ICPA</del> Rnov2022ICPA	RNOV2022ICPA RNOV2022ICPA	ARNOV2022 Annov2022
Grand-Total for Q1	RNOV2022ICPA	RNOV2022ICP	ARNOV2022
Granu-rulariur (Grosic par no voossic par no voossic par	RNOV2022ICPA	RMOVMMATCE	20°V2022

# **Model Answer**

# a) The difference between cash issue, right issue, and bonus issue

A cash issue represents a situation where cash or other resources are introduced into the business during the year as a result of issuing new shares i.e. shares are issued for cash or any other resources usually at the full market price of the share.

A right issue is a situation where ordinary shares are issued to the existing owners of the company (shareholders) at a price below the current market value of the shares, the difference between exercise price and market price of share is a discount.

A bonus issue a situation where ordinary shares are issued to the existing owners of the company (shareholders) for no consideration. In this case the number of shares will increase without a respective increase in cash (or resources).

b)

# i) The difference between Basic Earnings Per Share and Diluted Earnings Per Share

Basic Earnings Per Share is a measure of net profit after tax earned as attributable to the ordinary shareholders for each ordinary share for any given company in a given period of time.

Diluted Earnings Per Share is a measure of net profit after tax earned as attributable to the ordinary shareholders for each ordinary share after considering any changes in the profit due to continuing operations and the change in ordinary shares after the effect of all dilutive potential ordinary shares.

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ii)	Basic Earnings Pe	er Share for	the year	ending 2019	and 2020.

ARNOV2022ICPARNOV2	2022ICPARNOV2022	ICPARNOV2022IC	PARNOV2022IC	PARNOV2022IC	PARNOV2022IC	CPARNOV2022IC
ARNOV2022ICPARNOV2	2022ICPARNOV2022	ICPARNOV2022IC	PARNOV2022IC	Pai <mark>2020</mark> 202210	PARNO <b>2019</b> i	CPARNOV2022IC
ARNOV2022ICPARNOV2	2022ICPARNOV2022	ICPARNOV2022IC	PARNOV2022IC	PARNOV2022IC	PARNOV2022IC	CPARNOV2022IC
ARNOV2022ICPARNOV2	2022ICPARNOV2022	ICPARNOV2022IC	PARNOV2022IC	PA <b>FRW</b> 2022IC	PARNO <u><b>FRW</b></u> IO	CPARNOV2022IC
ARNOV2022ICPARNOV2	2022ICPARNOV2022	ICPARNOV2022IC	PARNOV2022IC	PARNOV2022IC	PARNOV2022IC	CPARNOV2022IC
Considering the issue	ue of shares on 30 <sup>th</sup>	<sup>n</sup> June, which is r	nid-NOV2022IC	PARNOV2022IC	PARNOV2022IO	CPARNOV2022IC
year, we need to cal	2022ICPARNOV2022 lculate the weights	ICPARNOV2022IC	PARNOV2022IC	PARNOV2022IC	PARNOV2022IO	CPARNOV2022IC
A year, we need to ear	iculaic inc weighte	d average numbe	PARMOV2022IC	PARNOV2022IC	PARNOV2022IC	CPARNO V 2022IC
shares:	2022ICPARNO V 2022	ICPARNOV2022IC	PARNO V 2022IC	PARNO V 2022IC	PARNO V 2022IC	CPARNO V 2022IC
ARINO V ZUZZICPARINO V Z A DNIOWODODICDA DNIOW	2022ICPARNO V 2022.	ICPARNO V 2022IC.	DADNOV2022IC	PARNO V 2022IC	PARNO V ZUZZIO	CPARNO V ZUZZIO
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ARNOV2022ICPARNOV2	2022ICPARNOV2022	ICPARNOV2022IC	PARNOV2022IC	P&B 000 2022IC	PARNOV2022IC	CPARNOV2022IC
120,000 x 6/12	2022ICPARNOV2022	ICPARNOV2022IC	PARNOV2022IC	60,000	PARNOV202ZIO	CPARNOV2022IC
ARNOV2022ICPARNOV2	2022ICPARNOV2022	ICPARNOV2022IC	PARNOV2022IC	PARNON2022IC	PARNOV 2022IC	CPARNOV2022IC
AR Shares: 21CPARNOV2	2022ICPARNOV2022	ICPARNOV2022IC	PARNOV2022IC	110,000 20221C	PAR 100,000	CPARNOV2022IC
ARNOV2022ICPARNOV2	2022ICPARNOV2022	ICPARNOV2022IC	PARNOV2022IC	000,000	90,000,000	CPARNOV2022IC
AR Earnings: CPARNOV2	2022ICPARNOV2022	ICPARNOV2022IC	PARNOV20221C	000,000 202210	90,000,000	CPARNOV2022IC
HILLO 12022ICITHITO 12	2022ICPARNOV2022	ICITILITO V ZOZZIC.	PARNOV2022IC	PARNOV2022IC <b>909</b> nov2022IC	PARNOV2022IC	CPARNOV2022IC
AR EPS: Earnings/Shar	res2ICPARNOV2022	ICPARNOV2022IC	PARNOV202 <del>210</del>	202 NOV2022IC	PARNOV <u><b>900</b></u> io	CPARNOV2022IC
ARNOV2022ICPARNOV2	2022ICPARNOV2022	ICPARNOV2022IC	PARNOV2022IC	DADNIGUERA	TO A TO A LOCAL CONTRACT	TO A DALCATIONAL
				PARTIO V ZUZZIC	PARNO V 2022IC	CPARNO V ZUZZIO
ARNOV2022ICPARNOV2	2022ICPARNOV2022	ICPARNOV2022IC	PARNOV2022IC	PARNOV2022IC	PARNOV2022IC	CPARNOV2022IC
ARNOV2022ICPARNOV2 ARNOV2022ICPARNOV2	2022ICPARNOV2022 2022ICPARNOV2022	ICPARNOV2022IC ICPARNOV2022IC Jutado Farnings	PARNOV2022IC PARNOV2022IC Par Sharaya	PARNOV2022IC PARNOV2022IC PARNOV2022IC	PARNOV2022IC PARNOV2022IC PARNOV2022IC	CPARNOV2022IC CPARNOV2022IC CPARNOV2022IC
ARNOV2022ICPARNOV2 ARNOV2022ICPARNOV2 AR iii) Basic Earning	2022ICPARNOV2022 2022ICPARNOV2022 gs. Per. Share, Dil	ICPARNOV2022IC ICPARNOV2022IC <b>luted Earnings</b>	PARNOV2022IC PARNOV2022IC <b>Per Share, la</b>	PARNOV2022IC PARNOV2022IC <b>ndr Dilution</b> 1	PARNOV2022IC PARNOV2022IC PARNOV2022IC For the year IC	CPARNOV2022IC CPARNOV2022IC CPARNOV2022IC CPARNOV2022IC
	2022ICPARNOV2022 2022ICPARNOV2022 gs: Per Share, Dil 2022ICPARNOV2022	ICPARNOV2022IC ICPARNOV2022IC <b>luted Earnings</b> ICPARNOV2022IC	PARNOV2022IC PARNOV2022IC <b>PernShare, a</b> PARNOV2022IC	PARNOV2022IC PARNOV2022IC PARNOV2022IC PARNOV2022IC	PARNOV2022IC PARNOV2022IC Or the year IC PARNOV2022IC	CPARNOV2022IC CPARNOV2022IC CPARNOV2022IC CPARNOV2022IC CPARNOV2022IC
ARNOV2022ICPARNOVAR iii) Basic Earning ending 2021.	2022ICPARNOV2022 2022ICPARNOV2022 gs. Per Share, Dil 2022ICPARNOV2022 2022ICPARNOV2022	ICPARNOV2022IC ICPARNOV2022IC <b>luted Earnings</b> ICPARNOV2022IC ICPARNOV2022IC	PARNOV2022IC PARNOV2022IC Per Share, and PARNOV2022IC PARNOV2022IC PARNOV2022IC	PARNOV2022IC Parnov2022IC	PARNOV2022IC PARNOV2022IC	CPARNOV2022IC CPARNOV2022IC CPARNOV2022IC CPARNOV2022IC CPARNOV2022IC CPARNOV2022IC
	2022ICPARNOV2022 2022ICPARNOV2022 gs: Per Share, Dil 2022ICPARNOV2022 2022ICPARNOV2022 2022ICPARNOV2022 2022ICPARNOV2022	ICPARNOV2022IC ICPARNOV2022IC <b>luted Earnings</b> ICPARNOV2022IC ICPARNOV2022IC ICPARNOV2022IC	PARNOV2022IC PARNOV2022IC Per Share, a PARNOV2022IC PARNOV2022IC PARNOV2022IC PARNOV2022IC	PARNOV2022IC PARNOV2022IC nd Dilution 1 PARNOV2022IC PARNOV2022IC PARNOV20202IC	PARNOV2022IC PARNOV2022IC	CPARNOV2022IC CPARNOV2022IC CPARNOV2022IC CPARNOV2022IC CPARNOV2022IC CPARNOV2022IC CPARNOV2022IC CPARNOV2022IC
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CINO	V Z U Z Z I	CPARINO	VZUZZICPA	KINU V ZUZZ	CICPARINU	2022ICPARINO	V 2022ICPARINO V	2021 <sup>A</sup>
RNO	V2022I	CPARNO	V2022ICPA	RNOV2022	ZICPARNOV	2022ICPARNO	V2022ICPARNOV V2022ICPARNOV	202 <del>21CP</del> A
RNO	V2022I	CPARNO	V2022ICPA	RNOV2022	<b>ZICPARNOV</b>	2022ICPARNO	V2022ICPARNOV	20 FRW
							V2022ICPARNOV	

RNOV2022ICPAR Before considering the convertible bond, the Basic EPS 0V2022ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARN RNOV2022ICPAR**Will be**:21CPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022IC

RNOV2022ICPAR $\mathbf{Shares}$  as of  $31^{\mathrm{st}}$  December 20212022ICPARNOV2022ICPARNOV2022ICPARNOV20120,000NOV2022ICPARNOV2022IC

RNOV2022ICPAR Profit after tax and preference dividend PARNOV2022ICPARNOV2022ICPARNOV20 110,000,000 022ICPARNOV2022IC 2022ICPARNOV2022ICPARNOV2022ICPARNOV202<del>2ICPARNO</del>

ARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022IC ARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV202<u>217</u>PARNOV2022ICPARNOV2022IC **Basic EPS** 

After considering the convertible bond, the diluted EPS OV2022ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNO

rnov20221CPAR **Number of additional ordinary shares due to the**0221CPARNOV20221CPARNOV20221CPARNOV20221CPARNOV20221C

oan notes: 10,000,000\*1/1000 = conversion of the convertible loan notes:

RNOV2022ICPAR Interest cost savings after tax due to the OV2022ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV2 ARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022IC

RNOV2022ICPAFT19V2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICF RNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICF **Page 4 of 20**  2022ICPAR New number of ordinary shares (inclusive of IOV2022ICPARNOV2022ICPARNOV2022ICPARNOV202

20221CPARNOV20221

New profit after tax (inclusive of the interest

cost savings after the conversion of the loan

1CPAR notes) 22 $1CPARNOV20221CPARNOV20221CPARNO110,000,000 + \1,400,000 \\ \equiv 0.000 \( 111,400,000 \) 022<math>1CPARNOV20221CPAR$ 

Diluted EPS RNO V2022ICPARNO V2022ICPARNO 111,400,000 / 130,000 \( \text{PRNO V20.857}\) PARNO V2022ICPARNO V

PAR Dilution (dilutive effect of the convertible OV2022ICPARNOV

Par $\log notes$ ) arnov20221cParnov20221cParno9172 $\pm 857$ 1 $\mp 10$ 020221cParnov206021

# c) Calculate the carrying amount of the liability and equity component of a convertible instrument:

2022ICPA Annual interest is computed as follows: 10,000\*1,000\*12% = 1,200,000

NOV2022IC NOV2022IC	PARNO <b>Description</b> OV2022 PARNOV2022ICPARNOV2022	CPARN <b>Cash flow</b> CPARNOV2022ICPAR	NOV2 (Interest) NOV2 (factor RN	OV202 <b>PV of liability</b> OV2022ICPARNOV2022
NOV2022IC	PARNO V2022ICPARNO V2022	CPARN FRW ZICPAN	NOV2022ICPARN	$\mathbf{FRW}_{\text{PNOV2022}}$
Year 1	PARNO Interest ARNOV2022	<sub>CPARN</sub> 1,200,000	$_{ m NOV2} 0.847_{ m ARN}$	0.00202 1,016,400,2022
Year 221	PARNO InterestPARNO V2022	CPARN1,200,000 AF	nov2@.718arn	0V202 <b>861,600</b> 0V2022
Year 3	ARNO Interest ARNO V 2022	1,200,000	0.609	730,800
Year 421	PARNO Interest ARNO V2022	CPARN 1,200,000 AF	NOV2 (0.516ARN	0V202 <b>619,200</b> 0V2022
Year 5 210 NOV202210 NOV202210	Interest and principal amount FRW 10m+FRW 1.2m	CPARN11,200,000 F CPARNOV20221CPAF CPARNOV20221CPAF	CNOV2( <b>0.437</b> ARN CNOV2022ICPARN CNOV2022ICPARN	OV2024,894,400V2022 OV2022ICPARNOV2022 OV2022ICPARNOV2022
<b>Total PV</b>	of Liability CPARNOV2022	ICPARNOV 2022 ICPAR ICPARNOV 2022 ICPAR	RNOV2022ICPARN	8,122,400
Equity210	CPARNOV2022ICPARNOV2022	10,000,000-8,122,	400/2022ICPARN	OV202 <b>1,877,600</b> /2022
Total pro	ceed OV2022ICPARNOV2022	ICPARNOV2022ICPAF	RNOV2022ICPARN	OV202 <b>10,000,000</b> 2022

I1.2

### RNOV20221CPAI**QUESTION:TWO**20221CPARNOV20221CPARNOV20221CPARNOV20221CPARNOV20221CPARNOV20221CPARNOV20221CPARNOV20221C

# rnov20221cpai**Marking Guide** 0v20221cparnov20221cparnov20221cparnov20221cparnov20221cparnov20221cparnov20221cparnov20221c

# QUESTION 2: Award marks as guided below 2022ICPARNOV202ICPARNOV202ICPARNO

R (i) VGoodwill NOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2	2022ICPARNOV2022ICPARNOV2022IC
Consideration transferred RNOV2022ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202	2022ICPARNOV2027ICPARNOV2022IC 2022ICPARNOV2027ICPARNOV2022IC
NCI on acquisition 21CPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2	2022ICPARNOV202 <b>1</b> ICPARNOV2022IC
Share capital NOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2	2022ICPARNOV2 <b>025</b> ICPARNOV2022IC
Retained earnings-pre-acquisition	2022ICPARNOV2022ICPARNOV2022IC 2022ICPARNOV2025ICPARNOV2022IC
R Fair value adjustment CPARNOV2022ICPARNOV202ICPA	2022ICPARNOV202 $f 1$ ICPARNOV2022IC
Nimpairment RNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2	2022ICPARNOV2 <b>025</b> ICPARNOV2022IC
Goodwill balance on 31 Dec 2021	20221CPARNOV20221CPARNOV20221C 20221CPARNOV20251CPARNOV20221C
Sub-Total Parnov 2022 ICPARNOV	2022ICPARNOV202 <b>5</b> ICPARNOV2022IC
(ii) Non-controlling interests OV2022ICPARNOV2022ICPARNOV2022ICPARNOV2	2022ICPARNOV2022ICPARNOV2022IC
NCI at acquisition:	20221CPARNOV 20221CPARNOV 20221C 20221CPARNOV 20221CPARNOV 20221C
Award 0.5 mark for each correct figure excluding NCI at NOV	2022ICPARNOV202 <b>2</b> ICPARNOV2022IC
acquisition and exclude total V2022ICPARNOV2022ICPARNOV2022ICPARNOV2	2022ICPARNOV2022ICPARNOV2022IC
RNOV 2027 IL PARNOV 2022 ICPARNOV 2022 ICPAR	2022ICPARNOV 2022ICPARNOV 2022IC 2022ICPARNOV 2022ICPARNOV 2022IC
(iii) 2 Retained earnings RNOV20221CPARNOV20221CPARNOV20221CPARNOV2	2022ICPARNOV2022ICPARNOV2022IC
Award 0.5 for Retained Earnings for A, B, and C as per OZZICPARNOV SOFP	2022ICPARNOV2 <b>125</b> ICPARNOV2022IC 2022ICPARNOV2022ICPARNOV2022IC
RNOV20221CPARNOV20	2022ICPARNOV2022ICPARNOV2022IC
RNOV2 Award 1 mark for extra depreciation RNOV2022ICPARNOV2022ICPARNOV2	20221CPARNOV202 <b>1</b> 1CPARNOV20210 20221CPARNOV202 <b>2</b> 1CPARNOV202210
Award one mark for goodwill impairment	2022ICPARNOV2027ICPARNOV2022IC
RNOV2 Award 1 mark for unrealized profit RNOV2022ICPARNOV2022ICPARNOV2	2022ICPARNOV202 <b>2</b> ICPARNOV2022IC
Award 1 mark for post-acquisition share in Company B	2022ICPARNOV2021ICPARNOV2022IC
RNOV20221CPARNOV20	2022ICPARNOV2022ICPARNOV2022IC
RNOV2 Award 1 mark for post-acquisition share in Company Co221CPARNOV	2022ICPARNOV202 <b>1</b> ICPARNOV2022IC
shown on the column of group co PARNOV2022ICPARNOV2022ICPARNOV2	2022ICPARNOV2022ICPARNOV2022IC
Award 0.5 mark for impairment loss from associate	20221CPARNOV20221CPARNOV202210 20221CPARNOV20221CPARNOV202210
RNOV2 <b>company i.e. C</b> )221CPARNOV20221CPARNOV20221CPARNOV20221CPARNOV2	2022ICPARNOV2022ICPARNOV2022IC
RNO V 21 <mark>Sub-tôta1</mark> O V 20221CPARNO V 20221C	20221CPARNOV202 <b>8</b> 1CPARNOV20221C 20221CPARNOV20221CPARNOV20221C
(iv) CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF THE STATE OF THE STATEMENTS OF	CION PASNAT 021 CPARNOV 2022 IC
RNOV20Assets RNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2	2022ICPARN <b>Marks</b> ICPARNOV2022IC
RNOV2022ICFARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2 RNOV2 <b>Land and Property</b> RNOV2022ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV	2022ICPARNOV2022ICPARNOV2022IC
RNOV 20 <del>72 STEVARNOV 2012 STEV</del> ARNOV 2022 STEPARNOV	20221CPARNOV202 <del>2</del> 1CPARNOV202210 20221CPARNOV2 <b>0:5</b> 1CPARNOV202210
RNOV2 Investment Property ARNOV2022ICPARNOV202ICPARN	2022ICPARNOV2025ICPARNOV2022IC
RNOV2(22)CPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2 RNOV2(Investment in associate <sub>NOV2022ICPARNOV202</sub>	2022ICPARNOV2022ICPARNOV2022IC 2022ICPARNOV2025ICPARNOV2022IC
kno v 2022 i cyarno v 2022 i C	20221CPARNOV 2 <del>022</del> 1CPARNOV 20221C 2022ICPARNOV 2 <b>0:5</b> ICPARNOV 2022IC
AND TAXABLE DI DITOTTA DATE DI DITOTTA DATE DI DITOTTA DA CONTENDA DI DITOTTA DI	

RNOV2022ICPAF119V2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICF RNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICFARNOV2022ICF Page 6 of 20

/2(Inventories/2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2025ICPARNOV202
$^{\prime 2}$ Cash $^{\prime 2}$ ARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2023
/2022ICPARNOV202ICPARNOV20
/2. <b>Equity and Liability</b> RNOV20221CPARNOV20221CPARNOV20221CPARNOV20221CPARNOV20221CPARNOV20221CPARNOV20201CPARNOV
$^{\prime 2}$ Share capital $^{2022}$ ICPARNOV2022ICPARNOV202ICPARNO
/2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022IC /20 <b>Retained.earning</b>
/2/Non-controlling interest OV2022ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202I
JANASTONA DATO VANCATORA DATO VANCATORA DATO VANCATORA DATO VANCATORA DATO VANCATORA DATO VANCATORA
/2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022IC
$_{ m V20}Short_{ m term,loan}$ cparnov20221cparnov20221cparnov20221cparnov20221cparnov20221cparnov20251cparnov20201cparnov20221cparnov20201cparnov20
/2(Accrued expense Arnov2022ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNO
/2( <b>Sub-total</b> V2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2028IC /2021CPARNOV2022ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV2
V2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022IC
Workings relating to SOFP (award marks as below either in separate workings or
where this is worked directly on the face of the consolidated statement of financial
y <b>position);</b> nov20221cparnov20221cparnov20221cparnov20221cparnov20221cparnov20221cparnov20221cparnov20221cparnov20221cparnov20221cparnov202021cparnov20221cparnov20221cparnov202021cparnov20221cparnov202021cparnov202021cparnov202021cparnov202021cparnov20221cparnov20202021cparnov20202020202020202020202020202020202020
/2( <b>W1 Group Structure</b> :NOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARN <b>Marks</b> IC
Acquired percentage in B $^{\vee 2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2025ICPARNO$
/20221CPARNOV2021CPARNOV2021CPARNOV20221CPARNOV2021CPARNOV2021CPARNOV2021CPARNOV2021CPARNOV2021CPARNOV
/2/Sub-total/0V20221CPARNOV20221CPARNOV20221CPARNOV20221CPARNOV20221CPARNOV20221CPARNOV20221CPARNOV2021CPARNOV2021CPARNOV2021CPARNOV20221C
W2. Investment in associate CPARNOV2022ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV
/2012_TC   FAX NO 02221CT A RNO 02212   CPARNO 020221CPARNO 02021CPARNO 020221CPARNO 020221CPARNO 020221CPARNO 020221CPARN
/2 Cost of investment ARNOV 2022 ICPARNOV 2022 ICPARNOV 2022 ICPARNOV 2022 ICPARNOV 2022 ICPARNOV 2022 ICPARNOV /2022 ICPARNOV 2022 ICPARNOV
/2/Impairment of investment 2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2021IC
/2( <b>Sub+total</b> )v20221cPARNOV20221cPARNOV20221cPARNOV20221cPARNOV20221cPARNOV20231cPARNOV20
<b>W3: Unrealized profit on stock</b>
DNA: Do Not Award marks on W3
/2( <b>W4.)Fair_value adjustment on</b> ARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022IC
Property (Building of B) 2022ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARN
/2022ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARN
/2 Increase in Fair value (Balance after extra-depreciation) 2022ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPA
V2(Sub-Total) V2022ICPARNOV202ICPARNO
/2021CPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2027IC

RNOV2022ICPA<mark>F11.2</mark>V2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICP<mark>Page 7.0f20</mark>CPARNOV2022IC RNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2

 $^{1}$  RNOV20221CPARNOV2 **Grand-Total for Q2** RNOV20221CPARNOV202

#### RNOV2022ICPAI**Model)Answers** 0V2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022IC

RNOV2022ICPAI RNOV2022ICPAI	RNOV2022ICPARNOV202ICPARNOV202	OV2022 <b>FRW</b> RNOV2	022ICPA <b>FRW</b> 022ICPA <b>Million</b>
RNOV2022ICPAI	(i) Goodwill (acquisition of B) 2022ICPARNOV2022ICPARN	OV2022ICPARNOV2	022ICPARNOV2022I
RNOV2022ICPAI	NOV2 Consideration transferred (proceeds) NOV2022ICPARN	OV2022ICPARNOV2	022ICPA <b>2,200,000</b>
RNO V 2022I CPAI Rno v 2022I CPAI	Non-controlling interest (250,000*FRW 1.65)	OV 2022I CPARNO V 2 OV 2022I CPARNO V 2	412,500
RNOV2022ICPAI	NOV2 Total company's value OV2022ICPARNOV2022ICPARN	OV2022ICPARNOV2	0221CPA <b>2,612,500</b> 1
RNOV2022ICPAI	Net assets acquired as detailed below: V20221CPARN	OV2022ICPARNOV2	022ICPARNOV2022I
RNO V 2022I CPAI RNO V 2022I CPAI	NOV2. Share capital 20221CPARNOV20221CPARN	1,250,000	0221CPARNO V 20221 0221CPARNO V 20221
RNOV2022ICPAI	NOV2 Retained earnings at acquisition CPARNOV2022ICPARN	DV2022IC <b>800,000</b> 2	022ICPARNOV2022I
RNOV2022ICPAI	Fair value adjustment on Building (W7)	500,000	022ICPARNOV2022I
RNO V 2022I CPAI RNO V 2022I CPAI	NOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNO	OV2022ICPARNOV2 OV2022ICPARNOV2	(2,550,00
RNOV2022ICPAI	RNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV	OV2022ICPARNOV2	022ICP <b>(0)</b> NOV2022I
RNOV2022ICPAI	NOV2 Goodwill at acquisition OV2022ICPARNOV2022ICPARN	OV2022ICPARNOV2	022ICPARN <u><b>62,500</b></u> I
RNOV2022ICPAI	Impairments to date Year-end value	OV2022ICPARNOV2	(30,000)
RNOV2022ICPAI	NOV2 Goodwill balance as at 31 December 2021 221 CPARN	OV2022ICPARNOV2 OV2022ICPARNOV2	0221CPARN <b>32,500</b> 1

RNOV2022ICPARNOV2	$022 ICPARNO V2022 ICPARNO V2022 ICPARNO V2022 ICPARNO V2022 ICPARNO V2022 \mathbf{FRW} \mathbf{Million} ICPARNO V2022 ICPARN$
RNOV2022ICPAR (ii) N	on-controlling interests
RNOV20221CPARNOV2 RNOV20221CPARNOV2	NCI at acquisition (W2) V2022ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARN
RNOV2022ICPARNOV2	Share of post-acquisition profit (2,300,000 - 800,000) * 80%   CPARNOV2022   CPARNOV20
RNOV2022ICPARNOV2 RNOV2022ICPARNOV2	Extra RN depreciation Von Pair V202 value Volument V2022 ICPARNO V2022 I
RNOV20221CPARNOV2 RNOV20221CPARNOV2	Share of goodwill impairment 30,000*20% (6,000)
RNOV2022ICPARNOV2	Share of Unrealized profit 40,000*20% OV2022ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202IC
RNOV2022ICPARNOV2 RNOV2022ICPARNOV2	$\begin{array}{l} \textbf{Balance c/d} \\ V20221CPARNOV202$

### RNOV2022ICPAR<mark>(iii) Retained earnings</mark> RNOV2022ICPARNOV202

2022ICPARNOV2022ICPARNOV2022ICPARNO	V2022ICPARNOV	V2022ICPARNOV2022I	CPARNOV2022ICPARNOV2022IC
2022ICPARNOV2022ICPARNOV2022ICPARNO	Company	V2022 Company $202210$	CPACOMPANYICPARNOV2022IC
2022ICPARNOV2022ICPARNOV2022ICPARNO	V2A22ICPARNO	V2022 <b>B</b> PARNOV2022I	CPACNOV2022ICPARNOV2022IC
2022ICPARNOV2022ICPARNOV2022ICPARNO	V <b>FRW</b> PARNO	V2022 <b>FRW</b> NOV2022I	CPA <b>FRW</b> /2022ICPARNOV2022IC
2022ICPARNOV2022ICPARNOV2022ICPARNO	Million RNO	V2022 <b>Million</b> V2022I	CPAMillion 22ICPARNOV2022IC
Retained earnings per SFP: 2022 ICPARNO	1,500,000	V2022 <b>[2,300,000</b> <sup>2022]</sup>	CPARI <b>400,000</b> ICPARNOV2022IC
Retained earnings at acquisition	V2022ICPARNO	(800,000)	$_{\text{PA}}^{\text{CPA}}$ (300,000) $_{\text{CPARNOV202210}}^{\text{CPARNOV202210}}$
Extra depreciation on Building in ARNO	V2022ICPARNO	V2022I <b>(250,000)</b> 2022I	CPARNOV2022ICPARNOV2022IC
<sup>2</sup> B <sup>21CI</sup> (Fair Value Paradjustment) ARNO	V2022ICPARNOV	V2022ICPARNOV2022I	CPARNOV2022ICPARNOV2022IC
<sup>2</sup> 500,000/20years*10 <sup>ARNOV2022ICPARNO</sup>	V2022ICPARNO	V2022ICPARNOV2022I	CPARNOV2022ICPARNOV2022IC
Goodwill impairments NOV2022ICPARNO	V2022ICPARNOV	$(30,000)^{20221}$	CPARNOV2022ICPARNOV2022IC
"UP" Unrealized profit (W6)	V2022ICPARNO	(40,000)	CPARNOV2022ICPARNOV2022IC
20 Of Politeanzed profit (WO) 221CPARNO	V2022ICPARNO	V2022IC(40,000)2022I	CPARNOV2022ICPARNOV2022IC
2022ICPARNO V2022ICPARNO V202ZICPARNO	V2022ICPARNO	V2022ICPARNO V 2022I	CPARNO V 2022I CPARNO V 2022I C
2022ICPARNO V2022ICPARNO V2022ICPARNO	V2022ICPARNO	1,180,000	CPARI 100,000 ICPARNO V 2022 IC
20221CPARNOV20221CPARNOV20221CPARNO	V20221CPARNO	V20221CPARNO v 202210	CPAR <del>NO v 2022</del> ICPARNO V 2022IC

RNOV2022ICPA<mark>T1.2</mark>V2022ICPARNOV202

### RNOV2022ICPAR**(iii) Retained earnings** PARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022IC

20221CPARNO V20221CPARNO V20221CPARNO V 20221CPARNO V20221CPARNO V20221CPARNO V	Company	Company	Company
2022ICPARNOV2022ICPARNOV2022ICPARNOV	A FRWPARNOV2022	PARNOV2022IC FRWNOV2022IC	PA <b>C</b> NOV202210 PA <b>FRW</b> /202210
20221CPARNO V 20221CPARNO V 20221CPARNO V 20221CPARNO V 20221CPARNO V 20221CPARNO V	Million RNOV2022	<b>Million</b> ) V 20221C	PA <b>RANO</b> V 202210 PA <b>Million</b> )2210
Post-acquisition share in Company ARNOV	202 <b>944,000</b> TOV2022	PICPARNOV2022IC	PARNOV2022IO
<sup>2</sup> (B: 80% <sup>*</sup> 1,180,000 PARNOV2022ICPARNOV	2022ICPARNOV2022	CICPARNOV2022IC	PARNOV2022IO
Post-acquisition on company C:	202230,000	CICPARNOV 2022IC CICPARNOV 2022IC	PARNOV202210 PARNOV202210
230%*100,0000221CPARNOV20221CPARNOV	2022ICPARNOV2022	PICPARNOV2022IC	PARNOV2022IO
Associate Balance c/d  Associate Balance c/d	(210,000) <b>2,264,000</b>	PICPARNOV 2022IC PICPARNOV 2022IC PICPARNOV 2022IC PICPARNOV 2022IC	PARNOV 202210 PARNOV 202210 PARNOV 202210 PARNOV 202210

# RNOV20221CPA (iv) CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 PARNOV202210 RNOV20221CPARNO **DECEMBER 2021 (in "FRW" millions)** v20221CPARNOV20221CPARNOV20221CPARNOV20221CPARNOV20221C

INO V ZUZZICPAKINO V ZUZZICPAKINO V ZUZZICPAKINO V ZUZZICPAKINO V	V ZUZZICPAKNU V ZUZZICPAKNU V ZUZZ
Assets 21CPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV	V2022 FRW Million CPARNOV2022
Non-current assets	V 2022ICPARNO V 2022ICPARNO V 2022 V 2022ICPA RNO V 2022ICPA RNO V 2022
Land and Property 2,200,000 + 1,000,000 + 250,000 (W4) 0V2022ICPARNOV	v20221CPA <b>3,450,000</b> 1CPARNOV2022
Equipment (500,000 + 100,000) 2022ICPARNOV2022ICPARNOV2022ICPARNOV	V2022ICPAR1600,000ICPARNOV2022
Investment in associate (W2)	v2022ICPAR 820,000 ICPARNOV2022
Investment Property (308,000 + 300,000) RNOV20221CPARNOV20221CPARNOV	v 2022ICPAR N <b>20,</b> 2009 ICPAR NO V 2022 v 2022ICPAR <b>608,000</b> ICPAR NO V 2022
Goodwill (i)RNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV NOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV	V 2022ICPARN <b>32,500</b> ICPARNO V 2022 V 2022ICPA <b>PN 2023</b> ICPARNO V 2022
NOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV	v 20221CPA <b>5,510,500</b> 1CPARNO v 2022 v 20221CPARNO v 20221CPARNO v 2022
Current assets 0 V2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV	V2022ICPARNOV2022ICPARNOV2022
Inventories 222,000 + 1,000,000 - 40,000 (W3) 022ICPARNOV2022ICPARNOV	V2022ICPA <b>1,182,000</b> ICPARNOV2022
Prepaid Expenses (50,000 + 1,600,000)	1,650,000 CPARNOV2022
Cash (50,000 + 100,000) A RNOV20221CPARNOV20221CPARNOV20221CPARNOV	V20221CPAR 150,000 CPAR NO V2022
NOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV	V2022ICPA <b>2,982,000</b> ICPARNOV2022
Total Assets	V2022ICPA <b>8,492,500</b> CPARNOV2022
NU V ZUZZICPAKINU V ZUZZICPAKINU V ZUZZICPAKINU V ZUZZICPAKINU V ZUZZICPAKINU V	V2022ICPARNOV2022ICPARNOV2022
Equity and liabilities ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV	V2022ICPARNOV2022ICPARNOV2022
Equity <sup>2</sup> 1CPARNOV20221CPARNOV20221CPARNOV20221CPARNOV Nov20221CPARNOV20221CPARNOV20221CPARNOV20221CPARNOV20221CPARNOV	V 2022ICPARNO V 2022ICPARNO V 2022 V 2022ICPA BNO V 2022ICPA RNO V 2022
Ordinary share capital CPARNOV2022ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202I	V2022ICPA <b>3,000,000</b>
Retained earnings (iii) ICPARNOV2022ICPARNOV202ICPARN	V2022ICPA <b>2,264,000</b> ICPARNOV2022
Total owners' equity ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV	V2022ICPA <b>5,264,000</b> ICPARNOV2022
Non-controlling interests (ii) Nov2022ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202IC	V2022ICPAR <b>648,500</b> ICPARNOV2022
NO V2022ICPARMO V2022ICPARNO V202ICPARNO	V20221CPA <b>5,912,500</b> CPARNOV2022
Non-current liabilities: PARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV	v 2022ICI AIVV <del>O 72</del> 022ICI AIVVO 2022 V 2022ICPA R NO V 2022ICPA R NO V 2023
TOTALOGO CON DIVOLOGO CON DIVOL	V2022ICPA <b>1.000.000</b> ICPARNOV2022
Long-term loan (800,000 + 200,000)	V2022ICPARNOV2022ICPARNOV2022
Current liabilities 0221CPARNOV20221CPARNOV20221CPARNOV20221CPARNOV	V2022ICPARNOV2022ICPARNOV2022
Short-term loan (470,000 + 250,000) CPARNOV2022ICPARNOV2022ICPARNOV	V2022ICPARI <b>720,000</b> ICPARNOV2022
NEDV 2017 21C PAR NED	v 20122711 PARNCIV 2012711 PARNCIV 2012

RNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022IC
${ m RMssets}^2$ 21CPARNOV20221CPARNOV20221CPARNOV20221CPARNOV20221CPARNOV2022 ${ m FRWMillion}$ 1CPARNOV20221CPARNO
Accrued expenses (760,000 + 100,000) 860,000
ri <b>Total Current liability</b> parnov20221cparnov20221cparnov20221cparnov20221cpa <b>1,580,000</b> cparnov20221c
RI <b>Total liabilities</b> V2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPA <b>2,580,000</b> ICPARNOV2022IC
RM V2022IC ARNOV2022ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV2
RNOV20221CP4RNOV20221CP4RNOV20221CPARNOV20
RNOV 2022ICPARNO V 2022IC RNOV 2022ICPARNO V 2022ICPARNOV 2022ICPARNOV 2022ICPARNOV 2022ICPARNOV 2022ICPARNOV 2022ICPARNOV 2022ICPARNOV 2022IC
Workings (all in "FRW" millions) arnov20221CPARNOV2022
R 1. Group Structure
RNOV2022IC PARNOV2022ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202
R Total share issued by BCPARNOVFRW 1,250,000/FRW 1 NOV2022ICPARNOV2022ICPA 1,250,000 CPARNOV2022ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202IC
Acquired percentage (1,000,000/1,250,000*100%) Acquired percentage (1,000,000/1,250,000*100%)
RNOV 2022ICPARNOV 2021CPARNOV 2022ICPARNOV 2
Retained Earnings at Acquisition 2022 ICPARNOV2022 ICPARNOV202
KNOV 2022ICPAKNO V 2022IC PNOV 2022ICPA PNOV 2622ICPA PNOV 2022ICPA PNOV 2022ICPA PNOV 2022ICPA PNOV 2022ICPA PNOV 2022ICPA PNOV 2022IC
R Acquired Shares in C <sup>2</sup> ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPAR 3 <b>00,000</b> ICPARNOV2022IC RNOV2022ICPARNOV202
Total shares issued by C FRW 1,000,000/FRW 1
RAcquired percentage (300,000/1,000,000 x 100%): 21CPARNOV20221CPARNOV20221CPARNO $30\%$ 1CPARNOV20221C
Retained Earnings at Acquisition 300,000
RNOV2022ICPARNOV202
R. 2. Investment in associate NOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022IC
Cost of associate 1,000,000 CPARNOV2022ICPARNOV202IC
Post-acquisition share of retained earnings
r (FRW 400,000-300,000) * 30% v20221cparnov2020200000000000000000000000000000000
R Impairment on investment in associate PARNOV2022ICPARNOV2022ICPARNOV2022ICPA (210,000) ICPARNOV2022ICPARNOV202ICPAR
$ ext{RNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARN} {f 20,000}  ext{ICPARNOV2022ICPARNOV202I$
rnov20221Cparnov20221Cparnov20221Cparnov20221Cparnov20221Cparnov20221Cparn <del>ov2022</del> 1Cparnov20221C r <b>3.) Unrealised Profit</b> 21Cparnov20221Cparnov20221Cparnov20221Cparnov20221Cparnov20221Cparnov20221Cparnov20221C
R Sales from B to A:2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022IC
20%*1,000,000*25/125 = 4RNOV2022ICPARNOV202ICPARNO
RNOV20221CPARNOV20
KNOV 2022ICPAKNO V 2022ICP RNOV 2022ICPARNOV
4. Fair value on Property RNOV2022ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202
rnov20221CPARNOV20221 <b>Cost</b> n(as20221CP Depreciation (10 years) i.e. rnov2 NBVp as at v20221CPARNOV202210
RNOV2022ICPARNOV2022I <b>at<sup>a</sup>r Jan</b> 2022ICP/ <b>from\1 (Jan 2012 to 31 Dec</b> \rnov2 <b>31</b> ICPA <b>Dec</b> V2022ICPARNOV2022I
DATO TO CONTRACT DATO TO CONTRACTO DA DATO TO CANASTO A CONTRACTO DA DATO DA DATO DA CANASTO DA DATO TO CANASTO DA

RNOV2022ICPA<mark>R112</mark>V2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022IC**Page 10 of 20**CPARNOV2022IC RNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2

RNOV2022ICPARNOV2022ICPARNOV2022I**2012** NOV2022ICP4**2021**V2022ICPARNOV2022ICPARNOV21**2021**PARNOV2022ICPARNOV2022IC  ${
m RNOV2022ICPARNOV2}_{
m Buildings}^{
m Buildings}^{
m NOV2022IS00,000}^{
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m 250,000}^{
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m V2022ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPAR$ 

RNOV2022ICPARNOV2022ICPARNOV2022 <u>**500,000</u> v2**022ICP/<u>**250,000**</u> 122ICPARNOV2022ICPARNOV2 <u>**250,000** NOV2022ICPARNOV2022IC</u></u>

RNOV2022ICPARNOV2022ICPARI

#### RNOV20221CPAI**QUESTION:THREE** 21CPARNOV20221CPARNOV20221CPARNOV20221CPARNOV20221CPARNOV20221CPARNOV20221CPARNOV20221C

# rnov20221cpai**Marking Guide**ov20221cparnov20221cparnov20221cparnov20221cparnov20221cparnov20221cparnov20221c

a) IFRS 8 Operating segments: Award marks as below:

RNOV2022ICPA (i) Operating segment well defined: CPARNOV2022ICPARNOV2022ICPARN

RNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARN

NO V2022 ICPA PNO V2022 ICPA RNO V2022 ICPA	ARNOV202210	CPARNOV2022
NOV2022ICPA (ii) Award 1 mark for each criterion based on to identify reportable CPARN V2022ICPA	ARNOV202 <b>4</b> 10	CPARNOV2022
NOV2022ICPA NO segment and 1 mark for other valid comment 022ICPARNOV2022ICPARN 0V2022ICPARN	ARNOV2022IC	CPARNOV2022
NO V 2022 I CPA, INO V 20 <b>32 I CPA RIO</b> V 2022 I CPA RINO V 2022 I CPA RINO V 2022 I CPA RINO V 2022 I CPA NO V 2022 I CPA, INO V 20 <b>32 I CPA RI</b> O V 2022 I CPA RINO V	AKNOV 202 <b>6</b> 10 ARNOV 202 <b>6</b> 10	PARNO V 2022 Parno V 2022
NOV2022ICPARI <b>b) vIFRS:16 Leases</b> 22ICPARNOV202ICPARNOV202ICPA	ARNOV2022IC	CPARNOV2022
NOV2022ICPAR Award marks as below:	ARNOV2022IC	CPARNOV2022
Correct calculation of the present value of lease payments	ARNOV2022IC	CPARNOV2022
NOV2022ICPAR Correct calculation of the right of Use asset at the PARNOV2022ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPAR	ARNOV2022IC	CPARNOV2022
NOV2022ICPAR beginning of the period PARNOV2022ICPARNOV202	ARNOV2022IC	CPARNOV2022
NOV20221CPAR Lease Liability balances for the 5 years: (0.5 for each year – max of 2 marks)	ARNOV2022IC	CPARNOV2022
NOV2022ICPAR Right of use asset balances for the 5 years: (0.5 for each year – max of 2 marks) NOV2022ICPAR Right of use asset balances for the 5 years: (0.5 for each year – max of 2 marks)	ARNO V 202 <del>2</del> 10 ARNO V 202 <b>2</b> 10	CPARNOV2022 CPARNOV2022
NO V 2022 I CPARNO V 2022 I CP	ARNOV2022IC	CPARNOV2022
nov20221cpar <b>Sub-total</b> parnov20221cparnov20221cparnov20221cparnov20221cparnov20221cparnov20221cp	ARNOV2022IC	CPARNOV2022
NOV2022ICPAR c) IAS 38: Capitalisation of the development expenditure (intangible asset) ICPAR (NOV2022ICPAR NOV2022ICPAR	ARNOV 2022IC Arnov 2022IC	PARNO V 2022 Parno V 2022
Criteria to capitalize development expenditure (intangible asset)	ARNOV2022IC	CPARNOV2022
$_{ m NOV2022ICPARNOV2072}$ Technical feasibility $_{ m RNOV2022ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNO$	ARNOV202 <mark>1</mark> IC	CPARNOV2022
- Intention of management to complete the development.	ARNOV2022IC	CPARNOV2022
NOV2022ICPARNOV202ICPARNOV202ICP	ARNOV2022IC	PARNO V 2022 PARNO V 2022
NO V 2022 I CPARNO V 2022 I CP	ARNOV2022IC	CPARNOV2022
NOV2022ICPARNOV2-There must be future economic benefit expected to the company. NOV2022ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV	ARNOV2021IC	CPARNOV2022
NOV2022ICPARNOV2 - There must be technical and financial resources to complete the asset. 2022ICPARNOV2	ARNOV2022IC ARNOV202 <b>2</b> IC	CPARNO V 2022 CPARNO V 2022
NOV2022ICPARNOV2021CPARNOV2022ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPA	ARNOV2022IC	CPARNOV2022 CPARNOV2022
NOV2022ICPARNOV2(Sub-tôtalov2022ICPARNOV202ICPARNOV202I	ARNOV2026IC	CPARNOV2022
NOV2022ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202IC	ARNOV2022IC	CPARNOV2022
NO V 2022 ICPA I <b>A Ward marks as below:</b> PARNO V 2022 ICPARNO V 20	ARNOV 2022IC Arnov 2022IC	PARNOV2022 PARNOV2022
NOV2022ICPAR (i) Conditions for recognition of a provision: 022ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPAR	ARNMarksic	CPARNOV2022
NO V 2022 I CPARNO V 2022 I CP	ARNOV2022IC	CPARNOV2022
NOV2022ICPARNO - a present obligation (legal or constructive).2022ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICP	ARNOV2 <b>022</b> 10	CPARNOV2022
NOV2022ICPARNO - A reliable estimate of the amount to be settled. ICPARNOV2022ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202I	$_{ m ARNOV2}0.5_{ m IC}$	CPARNOV2022
- Probable (Above 50% chance) that economic resources of the entity will be	ARNOV2022IC	CPARNOV2022
NOV2022ICPARNOV202ICPARNOV2	ARNOV2022IC	CPARNOV2022
NOV2022ICPARNO <mark>Sub-total</mark> rnov2022ICPARnov2022ICPARNOv2022ICPARNOv2022ICPARNOv2022ICPARNOv2022ICPA	ARNOV202 <mark>2</mark> IC	CPARNOV2022
NOV2022 CPARNO 2022 CPARNO 202	ARNOV2022IC	CPARNOV2022
NOV2022ICPARNOV <b>Contingent(Liability:</b> ARNOV2022ICPARNOV202	AKNOV 2022IC Arnov 2022IC	PARNO V 2022 PARNO V 2022
NOV2022ICPARNOV Definition of a contingent liability PARNOV2022ICPARNOV202ICPARNOV202I	ARNOV2022IC	CPARNOV2022
NOV2022ICPARNOV202ICPARNOV202I	ARNOV2022IC	CPARNOV2022

<u>ARNOV2022IC</u>PARNOV2022IC

Marks: PARNOV 2022 II

V2022ICPARNOV2023I

RNOV2022ICPA <mark>F11.2</mark>V2022ICPARNOV202ICPARNOV202ICPAR

-Contingent Assets teraking v 2022ieraking v 2022ieraking v 2022ieraking v 2021
NO Sub-total Sub-total
(iii) 202 Expected disposal of assets per IAS 37 0221CPARNOV20221C
Award 1 mark for well stated effect of gain on measurement of provision OV2022ICPARNOV2021
Award 1 mark if explaining that gains on disposal will be treated per related
standard of that assets being disposed CPARNOV2022ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV20
Sub-total Parnov2022ICParnov20
e) IAS 36: Impairment loss for a cash-generating unit
NOV <b>Award marks as below:</b> NOV2022ICPARNOV202ICPARNOV2022ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202IC
Award 1 mark for computed impairment loss and its working 2022ICPARNOV2022ICPARNOV2022
First, a loss of FRW 30,000,000 will be allocated to goodwill
Secondly, a loss of FRW 70,000,000 will be allocated to the building wholly
NOV 2022IC PÁRNO V 2022ICPARNO
- Allocation of the balance (FRW 59,500,000) of impairment loss to the remaining
${ m assets}^{\circ}$ 221CPARNOV2022ICPARNOV202ICPARNOV
- Identification of the allocation method i.e., pro rata basis
Sub-total Parnov2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV202
Grand-total

# 

# 2 ICPAR a) IFRS 8-Operating segment explained below: 2 ICPARNOV 2022 ICPARNOV 2022 ICPARNOV 2022 ICPARNOV

# 221CPAR **(i) Operating segment:** PARNOV20221CPARNOV20221CPARNOV20221CPARNOV20221CPARNOV20221CPARN

- A reporting segment is a component of an entity that actively engages in business activities of the control of
- Whose operating results are regularly reviewed by the entities by the Chief Operating Decision

  RNOV2022ICPARN Maker (CODM), Christine, who is also in copy as requested, and who oversees allocation of CPARNOV2022ICPARNOV202ICPARN
  - The segment must always have discrete financial information available.

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# (ii) Criteria based on to identify reportable segments:

NOV2022ICPARNOV202ICPARNOV202IC

- a) Its reported revenue, including both sales to external customers and intersegment sales or transfers, is 10 per cent or more of the combined revenue, internal and external, of all operating segments
- b) The absolute amount of its reported profit or loss is 10 per cent or more of the greater, in absolute amount, of (i) the combined reported profit of all operating segments that did not report a loss and the combined reported loss of all operating segments that reported a loss.
- c) Its assets are 10 per cent or more of the combined assets of all operating segments.

Operating segments that do not meet any of the quantitative thresholds may be considered reportable, and separately disclosed, if management believes that information about the segment would be useful to users of the financial statements. PARNOV2022ICPARNOV2

For Smart Dealer Ltd, each of the three (3) operating segments produces 15% of the company's revenue which is enough to recognize each as reportable segment.

#### Listed Entities:

- IFRS 8 specifies that listed entities or those in the process of filling financial statement publicly must comply with full disclosure of segmental information as per the standard.
- Smart Dealer Ltd is listed company which is another reason why disclosure per IFRS 8 is NOV2022ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202

b) IFRS 16: Lease accounting ODE ICPARNOV 2022 ICPARNOV 20	0V2022 <b>FRW</b> NOV2022
Present Value of lease payments as of 1 Jan 2021 (10,000,000*3.037)	V2022ICPARNOV2022 V202230,370,000
Right of Use asset as of 1st Jan 2021:	0V20221CPARNOV2022
PV of Lease payments: PARNOV2022ICPARNOV2022ICPARNOV2022ICPARN	OV2022 <b>30,370,000</b> )22
Plus: Initial lease payment on lease commencement	10,000,000
Plus: Processing legal fees NOV2022ICPARNOV2022ICPARNOV2022ICPARN	0V2022 <b>2,000,000</b> 2022
Right of UseNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARN	0V2022 <b>42,370,000</b> 022

Lease	V2022ICPARNO	V2022ICPARNO	V2022ICPARNOV	20221CPARNOV20	22ICPARNOV2022
Liability:	V2022I( <b>2021</b> NO	V2022I( <b>2022</b> )(	V2022I <b>2023</b> NOV	20221CP <b>2024</b> )V20	22ICPA <b>2025</b> /2022
1st January	30,370,000	34,014,400	26,896,128	18,923,663	9,994,503
Less: Lease rental	V2022ICPARNO	10,000,000	V20 <b>10,000,000</b>	1022 <b>10,000,000</b>	221C <b>10,000,000</b>
	V2022ICPARNO	v20221CPARNO	V2022ICPARNOV	20221CPARNOV20	221CPARNOV2022
	V2022ICPARNO	v20221CPARNO	V2022ICPARNOV	20221CPARNOV20	221CPARNOV2022
payments NOV2022ICPARNO	30,370,000	24,014,400	16,896,128	8,923,663	22ICPARNOV2022 22ICPARNOV2022

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) [	at 12%  31 <sup>st</sup> December	V2022ICPARNO	26,896,128	18,923,663	2022ICPARNOV20 2022I <b>9,994,503</b>	22ICPARNOV2022 22ICPARNOV2022
	Add: 2 Interest	V20 <b>3,644,400</b>	V2 <b>2,881,728</b>	V202 <b>2,027,535</b> V	202211,070,840	22ICPARNOV2022

Right of Use Asset ICPARNOV	022ICPAP 10 022ICPAP 10 022ICPAP 10	2022ICPA 2022ICPA	2022ICPARNOV2 2022ICPARNOV2	)22ICPARN <b>2024</b> )22ICPARN <b>2024</b>	ICPARNO 2025 ICPARNO 2025
1 January	42,370,000	33,896,000	25,422,000	16,948,000	8,474,000
CLess:21C Annual/	2022ICPARNOV	2022ICPARNOV	2022ICPARNOV2	022ICPARNOV2022	ICPARNOV202
depreciation charge (divide	8,474,000	8,474,000	2022 <b>8,474,000</b>	8,474,000	8,474,000
by 5 years)	2022ICPARNOV	2022ICPARNOV	2022ICPARNOV2	022ICPARNOV2022	ICPARNOV202
31 December	33,896,000	25,422,000	16,948,000	8,474,000	ICPARNOV202

# c) IAS 38: Intangible assets

IAS 38 requires that the following criteria to be met before development costs can be capitalized and recognized as intangible assets effective 1 January 2020 (10 years after 1 January 2010):

- There must be a technical feasibility for Company Y to complete the asset, and that the asset will be available for use.
- Company Y must have the intention to complete the development of the asset.
- Company Y must have the ability to sell or use the asset after its completion.
- There must be future economic benefits expected by Company Y from the use or sell of the asset. PARNO V2022ICPARNO V2022IC
- Company Y must have the technical and financial resources to complete the asset.
- Company Y must be able to measure the cost attributable to the assets reliably.

# d) IAS 37: Provisions Contingent Liabilities and Contingent Assets

# (i) Recognition criteria for provision under IAS 37

Under IAS 37, a provision should be recognized when all the following criteria are met:

- An entity must have a present obligation (legal or constructive).
- It should be probable that economic resources of the entity will be used to settle the obligation. Means that probability to settle debt is 50% or more.
- There must be a reliable estimate of the amount to be settled.

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# (ii) Difference between a contingent liability and a contingent asset

**Contingent liability**: Is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or a present obligation that arises from past events but is not recognised because:

- ✓ It is not probable that an outflow of resources embodying economic benefits will be required
- ✓ The amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

# (iii) Advise on whether to consider expected disposal of assets while measuring provisions

IAS 37 state that Gains from the expected disposal of assets shall not be taken into account in measuring a provision 21CPARNOV2022ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV20

Gains on the expected disposal of assets are not taken into account in measuring a provision, even if the expected disposal is closely linked to the event giving rise to the provision.

Instead, an entity recognises gains on expected disposals of assets at the time specified by the Standard dealing with the assets concerned.

#### e) IAS 36

The impairment loss of FRW 159,500,000 (230,000,000-70,500,000) will be expensed in profit or loss account for the year ended 31 December 2021.

In the Statement of Financial Position, impairment loss will be allocated as follows:

- First, a loss of FRW 30,000,000 will be allocated to goodwill 2210
- Secondly, a loss of FRW 70,000,000 will be allocated to the building wholly destroyed.
- The remaining balance of FRW 59,500,000 i.e FRW 159.5 million FRW30 million- FRW70 million) will be allocated to remaining assets on pro-rata basis. The remaining assets will be recorded in the statement of financial position at their recoverable amount of FRW 70,500,000.

I1.2 Page 15 of 20

# ${f RNOV2022}$ ICPARNOV ${f 2022}$ ICPARNOV ${f 2022}$ ICPARNOV ${f 2022}$ ICI ${f SECTIONB}$ ARNOV ${f 2022}$ ICPARNOV ${\bf 2022}$ ICPARN RNOV20221CPARNOV20221CPARNOV20221CPARNOV20221C<del>PARNOV20221CPA</del>RNOV20221CPARNOV20221CPARNOV20221CPARNOV20221CPARNOV20221C

# RNOV2022ICPAI**QUESTIONFOUR**022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022IC

# 2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022IC rnov20221cpai**Marking Guide** ov20221cparnov20221cparnov20221cparnov20221cparnov20221cparnov20221cparnov20221cparnov

RNO V 2022 I CPA RNO V 2022 I CPARNO V 2022 I RNO V 2022 I CPARNO V 2022 I CPA	CPARNO V 20221 CPARNO V 20221	CPARNO V 2022IC CPARNO V 2022IC
RNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022I	CPARNMarks	CPARNOV2022IO
Award 05 mark per each correct computed variance and 0.5 mark for performance	CPARNOV202010 CPARNOV20101	CPARNOV2022IO CPARNOV2022IO
RNOV2022ICPA in percentage (%) including subtotals CPARNOV2022ICPARNOV2022ICPARNOV2022I	CPARNOV2022I	CPARNOV2022IC
Award 1 mark for each correct line shown in the statement of revenue and	CPARNOV2029I	CPARNOV2022IC
expenditure excluding totals NOV2022ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNO	CPARNOV2022I	CPARNO V 202210 CPARNO V 202210
RNOV2022ICPA Award 1 mark for well obtained deficit for the year CPARNOV2022ICPARNOV2022I	CPARNOV20211	CPARNOV2022IO
RNOV2022ICPA <del>INOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022I</del> RNOV2022ICPA INOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022I	CPARNOV20221 CPARNOV20201	CPARNOV2022IC CPARNOV2022IC

# RNOV 2022 ICPA PNOV 2022 ICPARNOV 2022 ICPAR RNOV20221CPA (a)BUDGET, PERFORMANCE REPORT, OF MHC, FOR THE YEAR, ENDED 30 JUNE PARNOV20221C RNOV2022ICPARNO<mark>2021</mark>22ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022IC

PARNOV2022IC

PARNOV2022IC

ARNOV2022IC PARNOV2022IC

NO V 2022ICPA NO V 2022ICPA	RNOV2022ICPARNOV2022 RNOV2022ICPARNOV2022	Approved	OV2022ICPA Actual	Variance	ARNOV Perfo
NOV2022ICIA	RNOV2022ICPARNOV2022	PICPARNOV2 Budget	OV2022ICIAmount	CPARNOV2022ICP	ARNOVEMAN
NOV2022ICPA	RNOV2022ICPARNOV2022	PICPARNOV2022ICPARN	OV2022ICPARNOV2022I	CPARNOV2022ICP	ARNOV202 <b>ce</b>
NOV2022ICPA	RNOV2022ICPARNOV2022	PICPARNOV202 <b>FRW</b>	OV2022ICPAR <b>FRW</b> 022I	CPARNOV <b>FRW</b> CP	ARNOV2029/6
NOV2022ICPA Nov2022ICPA	Revenue	5,000,000	4,600,000	(400,000)	ARNOV292%
NOV2022ICPA	roGrants 21CPARNOV2022	21CPARNO10,000,000	0V2022 <b>10,000,000</b> 0221	CPARNOV2022 <b>0</b>	arnov100%
IOV2022ICPA	Other Income	2,500,000	2,300,000	CPAR (200,000)	ARNOV292%
IOV2022ICPA IOV2022ICPA	Total receipts	17,500,000	16,900,000	(600,000)	ARNOV 97%
IOV2022ICPA	Expenditure NOV2022	2ICPARNOV2022ICPARN	OV2022ICPARNOV2022I	CPARNOV2022ICP	ARNOV2022IC
IOV2022ICPA IOV2022ICPA	Capital Expenditure	3,700,000 PICPARNOV 2022 ICPARN	4,300,000	600,000 PARN 600,000	116%
OV2022ICIA OV2022ICPA	Salaries and wages	2,200,000 J	OV20221( <b>2,400,000</b> ) 221	CPARN 200,000	ARNOV109%
OV2022ICPA OV2022ICPA	Revenue PARNO V20 22 Expenditure RNO V20 22	PICPARNO\5,700,000\ PICPARNOV2022ICPARN	OV2022I ( <b>5,200,000</b> ) 22I OV2022I CPARNOV2022I	CPAR (500,000) CPAR NO V2022 C	ARNOV291% ARNOV2022IC
) V 2022I CPA ) V 2022I CPA	Office Supplies	1,250,000	1,700,000	450,000	136%
OV2022ICPA OV2022ICPA	RSSB221CPARNOV2022 Contributions NOV2022	ZICPARNO <b>2,900,000</b> N ZICPARNO V 2022 ICPARN	OV2022I( <b>2,800,000</b> 022I OV2022ICPARNOV2022I	CPAR(100,000) CPARNOV2022IC	ARNOV2 <b>97%</b> ARNOV2022IC
OV2022ICPA	Other expenses	1,750,000	1,500,000	CPAR (250,000)	ARNOV286%
OV2022ICPA OV2022ICPA	Total expenditure	17,500,000	17,900,000	400,000	102%

RNOV2022ICPA $^{11}$ 2V2022ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV20

### RNOV2022ICPA (b) Statement of revenue and expenditure for the year ended 30 June 2021 22ICPARNOV2022ICPARNOV2022IC

RNOV2022ICPARNOV2022ICPARNOV	20121CPAR $\mathbf{Dr}$ V20221CPARNOV20221C $^{ ext{PARNO}}$ C $\mathbf{r}$ 0221CPARNOV20221
RNOV 2022ICPARNO V 2022ICPARNO V RNOV 2022ICPARNO V 2022ICPARNO V	2012 ICPA FRANCO 2022 ICPARNO V 2022 ICPARNO FRANCO 2022 ICPARNO V
Revenue CPARNO V2022ICPARNO V	20121CPARNOV20221CPARNOV20221CPARNOV20221CPA <b>4,600,000</b>
Grants 2ICPARNO V2022ICPARNO V	20 21CPARNOV2022ICPARNOV2022IC PARNOV2022ICP10,000,000
Other Income NOV2022ICPARNOV	20121CPARNOV20221CPARNOV2022ICPARNOV20221CPA <b>2,300,000</b>
Total revenue OV2022ICPARNOV	2012ICPARNOV2022ICPARNOV2022ICP <b>16,900,000</b>
Expense CPARNOV2022ICPARNOV	<del>2012 ICPARNOV 2022 ICPARNO V 2022 ICPARNO V 2022 ICPARNO V 2022 I</del> 2012 ICPARNOV 2022 ICPARNOV 2022 ICPARNOV 2022 ICPARNOV 2022 I
RSSB contributions 221CPARNOV	20121CPARNOV20221CP. <b>(2,800,000)</b> CPARNOV20221CPARNOV20221
Capital Expenditure	20 21CPARNOV20221CP (4,300,000) PARNOV20221CPARNOV20221
Salaries and wages O221CPARNOV	20121CPARNOV20221CP.(2,400,000) PARNOV20221CPARNOV20221
Revenue Expenditure 2ICPARNOV	20.21CPARNOV2022ICP (5,200,000) PARNOV2022ICPARNOV2022I
Office Supplies	20121CPARNOV2022ICPARNOV2022ICPARNOV2022I
Other expenses OV2022ICPARNOV	20 21CPARNOV20221CP.(1,500,000) PARNOV20221CPARNOV20221
Total expense	20 21CPARNOV2022ICPARNOV2022IC PARNOV2022IC (17,900,000)
Deficit for the year 221CPARNOV	20121CPARNOV20221CPARNOV2022ICPARNOV2022IC[( <b>1,000,000</b> )]

#### RNOV2022ICPAI**QUESTION FIVE**2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022IC

# rnov20221cpai**Marking Guide** ov20221cparnov20221cparnov20221cparnov20221cparnov20221cparnov20221cparnov20221cparnov

a) Distinction between branch accounts VS department accounts RNOV2022ICPA	Marks
RNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPA	RNOV20221
Award 1 mark for each explained distinction between branch account and	.RNOV2022I
departmental accounts (maximum of 4 marks in total) PARNOV2022ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202IC	RNOV20241
Note: The answer may be in a tabular format (similar to the model answer) or	RNOV20221
developed as separated points for the branch accounts ARNOV2022ICPARNOV2022ICPA	.RNOV20221
A mark should consider valid point develop by students not necessary meaning that	RNOV2022
those points tie with model answers 21CPARNOV20221CPAR	RNOV20221
<b>b)</b> V <b>Types of Branches</b> PARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPA	.RNOV20221
Award up to 1 mark for each well-explained branch type	RNOV20221
Split marks as below221CPARNOV20221CPARNOV20221CPARNOV20221CPARNOV20221CPA	RNOV20221
-Dependent Branches identification 21CPARNOV2021CPARNOV2021CPARNOV2021CPARNOV2	RNOV2022
The Definition of Dependent Branches 21CPARNOV20221CPA	RNOV2025
- Independent Branches identification CPARNOV2022ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPA	RNOV20.5
Definition of Independent Branches   CPARNOV2022   CPARNOV	RNOV20251
Foreign Branches identification 2022 ICPARNOV 2022 ICPARNO	$\frac{\text{RNOV2022}}{\text{RNOV2}0.5}$
Definition of Foreign Branches 2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPA	RNOV2025
<del>rno v 2022 il parno v 2022 il par R<b>sud-total</b>: parno v 2022 il pa</del>	RNOV20221 RNOV202 <b>3</b> 1

RNOV2022ICPA <mark>F112</mark>V2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022IC**P**age **17 of 20** RNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022IC

RNOV2022ICPA	(c) V2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARN	OV2022I
RNOV2022ICPA	(i) Branch debtors Account	OV202210
RNOV2022ICPAI RNOV2022ICPAI	Award 0.5 for each figure posted correctly including any totals to the maximum of 4	OV202210
RNOV2022ICPAI	marks22ICPARNOV202ICPARNOV202ICPARNOV2	OV2022I

## (ii)Branch profit or loss account)221CPARNOV20221CPARN

Award 0.5 for each figure posted correctly including any totals to the maximum of 9 marks

NOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022IC

RNOV2022ICPAR

RNOV2022ICPAE

RNOV2022ICPA	Award 0.5 for each fi	igure posted correctly including any to	otals to the maximum of 9 marks	CPARNO V 2022II
RNOV2022ICP	THE TO V ZUZZICI THE TO V ZUZ	ks are awarded for the layout / format	10 1 20221C1 A1C10 1 20221C1 A1C10 1 20221	CPARNOV2022I
RNOV2022ICPA	A provided within the li	ines making the answers V2022ICPARN	IOV2022ICPARNOV2022ICPARNOV2022I	CPARNOV2022I
RNOV2022ICPA	Grand-Total Control of the Grand-Total Control o	2ICPARNOV2022ICPARNOV2022ICPARN	IOV2022ICPARNOV2022ICPARNOV2022I	CPARNOV20221
RNOV2022ICP	ARNOV2022ICPARNOV202	2ICPARNOV2022ICPARNOV2022ICPARN	JOV2022ICPARNOV2022ICPARNOV2022I	CPARNOV2022I
RNOV2022ICPA	Model Answer	.2ICPARNOV2022ICPARNOV2022ICPARN	JOV2022ICPARNOV2022ICPARNOV2022I	CPARNOV2022I
RNOV2022ICP/ RNOV2022ICP/	(a) Branch account vs	Department account	{OV2022ICPARNOV2022ICPARNOV2022I }OV2022ICPARNOV2022ICPARNOV2022I	CPARNOV2022I
RNOV2022ICP	ARNOV2022ICPARNOV202	Branch account ARNOV2022ICPARN	Department account PARNOV2022IO	CPARNOV2022I
RNOV2022ICF	AR Maintenance NOVof2	Here the maintenance can either be	Here the maintenance is at one	CPARNOV2022I
RNOV2022ICP/	ARNOV2022ICPARNOV202	22ICPARNOV2022ICPARNOV2022ICPARN	NOV2022ICPARNOV2022ICPARNOV2022IC	CPARNOV2022I
RNOV2022ICP	AR accounts CPARNOV202	at head office or at the branch PARN	place depending on the location of	CPARNOV2022I
RNOV2022ICF	ARNOV2022ICPARNOV202	2ICPARNOVZUZZICPAKNOVZUZZICPAKN 22ICPARNOV2022ICPARNOV2022ICPARN	NOV2022ICPARNOV2022ICPARNOV2022IG that department.	CPARNOV2022I
RNOV2022ICPA	AR Allocation ARNO vof	Here there no concern on how	TO VENEZICITITE TO VENEZICITITE TO VENEZIC	CPARNOV2022I
RNOV2022ICP/	ARNOV2022ICPARNOV202	221CPARNO V 20221CPARNO V 20221CPARN	NO V 2022I CPARNO V 2022I CPARNO V 2022I	CPARNOV2022I
RNOV2022ICPA	AR overheads ARNO V202	overheads are allocated among	overheads are allocated among	CPARNOV2022I
RNO V 20221CF	ARNOV2022ICPAKNOV202	branches since each branch can be	departments. And the basis for	CPARNOV20221
RNOV2022ICP	ARNOV2022ICPARNOV202	221CPARNOV20221CPARNOV20221CPARN separately identified.	•	CPARNOV2022I
RNOV2022ICP/	ARNOV2022ICPARNOV202	separately identified. NOV2022ICPARN	overheads is approved by	CPARNOV2022I
RNOV2022ICP	ARNOV2022ICPARNOV202	2ICPARNOV2022ICPARNOV2022ICPARN	management OV2022ICPARNOV2022IC	CPARNOV2022I
RNOV2022ICF	ARNOVZUZZICPAKNOVZUZ	ZICPARNOVZUZZICPARNUVZUZZICPARIV PITRAD MOMBOZICIDAGENGRY 1823/GEGRA	NOV 20221CPARNOV 20221CPARNOV 202210	CPARNOV20221
RNOV2022ICP	ARNOV2022ICPARNOV202	Here at the end of the reporting	There are no foreign currency of the control of the	CPARNOV2022I
RNOV2022ICP/	AR foreign currency. 202	2 period, O the 210 foreign V2 currency	balances AR in ) v2the   CPdepartment	CPARNOV2022
RNOV2022ICP	ARNOV2022ICPARNOV202	balances from foreign branch are	accounts that will necessitate	CPARNOV2022
RNOV2022ICP	ARNOV2022ICPARNOV202		TOTAL AREA CODE DISTORTED A DISTORTED AND A CONTRACTOR OF THE CONT	CPARNOV2022
RNOV2022ICP	ARNOV2022ICPARNOV202	<sup>22</sup> translated. <sup>2022</sup> ICPARNOV2022ICPARN 22ICPARNOV2022ICPARNOV2022ICPARN	Ctranslation. Nov20221CPARNOV2022ICPARNOV2022IG	CPARNOV2022
RNOV2022ICP	AR Reconciliation OV202	There must be a reconciliation	Since the department accounts are	CPARNOV2022
RNOV2UZZICE	ARNOV2022ICPARNOV202	21CPARNOV20221CPARNOV20221CPARNO between head office and branches	developed from the organisation	CPARNOV2022
RNOV2022ICP	ARNOV2022ICPARNOV202	DATE DATA DATA DATA DATA DATA DATA DATA	TO MANAGED A DATO MANAGED A DATO MANAGED	CPARNOV2022
RNOV2022ICP	ARNOV2022ICPARNOV202	to identify cash in transit and goods.	accounts of which with head office	CPARNOV2022
RNOV2022ICPA	ARNOV2022ICPARNOV202	2 ICPARNOV2022ICPARNOV2022ICPARN	being part of, there is no need to	CPARNOV2022
RNO V 20221CF	ARNOV2022ICPARNOV202	ZICPAKNO V ZUZZICPAKNO V ZUZZICPAKN DZICPARNOV 2022 ICPARN	reconcile the department accounts	CPARNOV2022
RNOV2022ICP	ARNOV2022ICPARNOV202	2ICPARNOV2022ICPARNOV2022ICPARN	JOV2022ICPARNOV2022ICPARNOV2022I	CPARNOV2022
			1 01 1 00	

RNOV2022ICPA<mark>F11.2</mark>V2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022IC RNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022IC Page 18 of 20

RNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNO**to that of head office accounts** 2022ICPARNOV2022IC

Purpose CPARNO	V2022Branch a	ccounts are	prepared to	Departmental	accounts ar	e aimed
RNOV2022ICPARNO RNOV2022ICPARNO						
RNOV2022ICPARNO RNOV2022ICPARNO	V2022ICPARNOV V2022ICPARNOV	2022ICPARNO	OV2022ICPARNOV2022ICPARNO	expense in	curred by	each
RNOV2022ICPARNO				department	OV2022ICPAR	NOV2022

# (b) Types of Branches

R Dependent ARNO	These branches have accounting records which are maintained at the head-				
Branches PARNO	office. The branches on their own don't maintain their own accounting	5			
RNOV2022ICPARNO	/2n221Cbarnov2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022	1			

RNOV2022ICPARNOV20

Foreign Foreign branches can either be dependent or independent. There are branches which operate or are based in different country other than the country in which the head office is located. The operation of foreign branch is carried out in foreign currency such that the foreign accounts must be translated into local currency for it to be combined with accounts of the head office

(c) (i) <sup>2</sup>

RNOV2 Branch debtors Account V20	221CPARNOV20221CPARNOV20221CPARNOV20221CPARNOV20221CPARNOV20221G
RNOV2022ICPARNOV2022ICPARNOV20	221 CPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022IC
rnov20221cparnov20221cp. <b>frw'00</b>	$^{12}$ i cparnov20221cparnov20221cparnov20221cpa $_{f FRW}$ 1 $_{f 000}$ 1cparnov20221c
RNOV2022ICPARNOV2022ICPARNOV20	Returns from branch debtors (at
RNOV2(Bal/b/dRNOV2022ICPARNOV20	ZZICIARTIO V ZVZZICIARTIO V ZVZZICIARTIO V ZVZZICIARTIO V ZVZZICIARTIO
RNOV2022ICPARNOV2022ICPAR400,00	O CPARN selling price) 10V2022ICPARNOV2022ICPAR 300,000 ICPARNOV2022IC
RNOV2 Credit RNO V2022 ICPARNO V20	221 CPARN Cash22 received V from P branch20221CPARNOV20221CPARNOV20221C
RNOV2 sales PARNO V2022 ICPA7,000,00	O CPARN debtors CPARNOV2022ICPARNOV2022ICPA 6,300,000 ICPARNOV2022IC
RNOV2022ICPARNOV2022ICPARNOV20	221CPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022IC
RNOV2022ICPARNOV2022ICPARNOV20	22 PARN Discount allowed to debtors OV2022ICPAR 120,000 ICPARNOV2022IC
RNOV2022ICPARNOV2022ICPARNOV20	221CPARNOV20221CPARNOV20221CPARNOV20221CPARN <mark>6Y2YY</mark> ICPARNOV20221C
RNOV2022ICPARNOV2022ICPARNOV20	221 CPARN Bad debts written off ICPARNOV2022ICPARNOV2022ICPARNOV2022IC
RNOV2022ICPARNOV2022ICPARNOV20	221 CPARNOV2022ICPARNOV2022ICPARNOV2022ICPARN <b>75,000</b> ICPARNOV2022IC
RNOV2022ICPARNOV2022ICPARNOV20	221 CPARNOV2022I CPARNOV202I CPA
RNOV2022ICPARNOV2022ICPARNOV20	Bal c/d (balancing figure) RNOV2022ICPAR 605,000 CPARNOV2022IC
RNOV2022ICPARNOV2022ICPARNOV20	221CPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022IC
RNOV2022ICPARNOV2022ICPARNOV	CPARNOV2022ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARN
RNOV2022ICPARNOV2022ICPARNOV20	22. CPARNOV2022ICPARNOV2022ICPARNOV2022ICPAKNOV2022ICPARNOV2022IQ

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(ii) Branch profit or loss account 2ICPARNOV202ICPARNOV202ICPAR	FRW'000	FRW'000
Sales - Cash sales 20221CPARNOV20221CPARNO	OV20221CPARNOV2 OV20221CPARNOV2	2,500,000
Sales Credit sales 0221CPARNOV20221CPARNOV20221CPARN	OV2022ICPARNOV2	221CPA <b>7,000,000</b>
Less: Return inwards (from debtors)	OV2022ICPARNOV2	<sup>221CPA</sup> (300,000)
Total sales arnov 2022 icparnov 2022 icparno	OV2022ICPARNOV2	9,200,000
Less: cost of sales <sup>2</sup> 022ICPARNOV2022ICPARNOV2022ICPARN	OV2022ICPARNOV2	022ICPARNOV2022
Opening stock (Branch inventory at cost)	550,000	22ICPARNOV2022
Add: Goods sent by head-office to branch NOV20221CPARN	0/202216,000,000	022ICPARNOV2022
Less: Goods returned by branch to head office 2022ICPARN	0/20221(150,000)	22ICPARNOV2022
Goods available for sale, ARNOV2022ICPARNOV202ICPARNOV202I	6,400,000	0221CPARNOV2022
Less: Goods stolen at branch at cost 2ICPARNOV2022ICPARN	0/202210 (50,000)	22ICPARNOV2022
Less: Closing Stock (Branch inventory at cost)	(700,000)	022ICPARNOV2022
Less: cost of sales	OV2022ICPARNOV2	(5,650,000)
Gross Profit NOV20221CPARNOV20221CPARNOV20221CPARN	OV2022ICPARNOV2	22ICPA <b>3,550,000</b>
Less: Other expenses	OV2022ICPARNOV2	22ICPARNOV2022
Cash sales stolen at branch (included in other sales) CPARN	OV2022ICPA35,000	022ICPARNOV2022 022ICPARNOV2022
Good stolen at branch at cost OV2022ICPARNOV2022ICPARN	O V2022ICPA <b>50,000</b>	22ICPARNOV2022
Bad debts written off	75,000	22ICPARNOV2022
Discount allowed to debtors NOV2022ICPARNOV2022ICPARN	0/20221CP120,000	022ICPARNOV2022
Expenses of branch paid by head office.	780,000	022ICPARNOV2022
Less: Other expenses	OV2022ICPARNOV2	(1,060,000)
Branch profit OV2022ICPARNOV2022ICPARNOV2022ICPARN	OV2022ICPARNOV2	221CPA <b>2,490,000</b>

# RNOV2022ICPARNOV2022ICPARN**END OF MARKING GUIDE AND MODEL ANSWERS** NOV2022ICPARNOV2022IC RNOV2022ICPARNOV2022ICPARN**END OF MARKING GUIDE AND MODEL ANSWERS** NOV2022ICPARNOV2022IC

RNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022IC

RNOV2022ICPA <mark>† 1.2</mark>V2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022IC**Page 20 of 20** RNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV