Principles of Financial Accounting (IFRS)
Second Edition
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Errata Sheet

➢ Update: May 19, 2017

Chapter 3

p. 109

Change point b to

b) Eighteen months earlier, on July 1, 2014, the company purchased equipment that cost $20,000. Its useful life is predicted to be five years, at which time the equipment is expected to be worthless (zero residual value).

➢ Update: May 19, 2017

Chapter 10

p. 406

Change journal entry for revaluation on June 30, 2015 (for KC Corp, method **a**) to:

June 30	Equipment	300,000	
	Accumulated Depreciation—Equipment		120,000
	Revaluation Surplus—Equipment		180,000
	To revalue equipment with accumulated depreciation		

Change journal entry for revaluation on June 30, 2015 (for KC Corp, method **b**) to:

June 30	Accumulated Depreciation—Equipment	80,000	
	Equipment		80,000
	To eliminate accumulated depreciation for revaluation		

June 30	Equipment	180,000	
	Revaluation Surplus—Equipment		180,000
	To revalue equipment		

➢ Update: October 5, 2015

Chapter 14

p.543

Change Exhibit 14.6 to the one below.

Bonds: $100,000 Par Value, Semiannual Interest Payments, Two-Year Life, 4% Semiannual Contract Rate, 5% Semiannual Market Rate

Semiannual Interest Period-End	(A) Cash Interest Paid	(B) Bond Interest Expense	(C) Discount Amortization	(D) Unamortized Discount	(E) Carrying Amount
(0) 12/31/2011				$3,546	$ 96,454
(1) 6/30/2012	$4,000	$4,823	$ 823	2,723	97,277
(2) 12/31/2012	4,000	4,864	864	1,859	98,141
(3) 6/30/2013	4,000	4,907	907	952	99,048
(4) 12/31/2013	4,000	4,952	952	0	100,000
	$16,000	$19,546	$3,546		

Column (A) is the par value ($100,000) multiplied by the semiannual contract rate (4%).

Column (B) is the prior period's carrying amount multiplied by the semiannual market rate (5%).

Column (C) is the difference between interest paid and bond interest expense, or [(B) 2 (A)].

Column (D) is the prior period's unamortized discount less the current period's discount amortization.