

Chapter 4

E41 → Roller purchased 100% of Steam Company on Jan 1, 2015 for \$270,000

→ ~~Liabilities = 100%~~

1) using Cost method

2015

Dr investment in steam company	270,000
Cr Cash	270,000

Dr Cash	5,000
Cr Dividend Income	5,000

2016

Dr Cash	15,000
Cr Dividend income	15,000

2017

Dr Cash	35,000
Cr Dividend income	35,000

2) using Equity method

2015	2016	2017
Dr investment in steam comp 270,000 Cr Cash 270,000	Dr investment in s comp 40,000 Cr income from s comp 40,000	Dr investment in s comp 20,000 Cr income from s comp 20,000
Dr investment in s comp 20,000 Cr income from s comp 20,000	Dr Cash 5,000 Cr investment in s comp 15,000	Dr Cash 35,000 Cr investment in s comp 35,000
Dr Cash 5,000 Cr investment in s comp 5,000	Dr income from s comp 7,000 Cr investment in s comp 7,000	Dr income from s comp 7,000 Cr investment in s comp 7,000
Dr income from s comp 7,000 Cr investment in s comp 7,000		

E4-2

Power acquired 100% of Snow Company by

issuing 45,000 Common stock
 $\$6$ par value \times \downarrow = 270,000
 $\$24$ M-value \times \downarrow = 1,080,000

Fair market value of consideration given up

1,080,000

Book value of net Assets of snow comp

980,000

Total Differential = 100,000

$100,000 / 8 = 12,500$ patents Differential Amortization

Assets = Liabilities

2012

Dr investment in snow comp 1,080,000
 Cr Common stock 270,000
 Cr APIC 810,000

Dr investment in snow comp 56,000
 Cr income from snow comp 56,000

Dr Cash 20,000
 Cr investment in snow comp 20,000

Dr income from snow comp 12,500
 Cr investment in snow comp 12,500

2013

Dr income from snow comp 44,000
 Cr investment in snow comp 44,000

Dr Cash 10,000
 Cr investment in snow comp 10,000

Dr income from snow comp 12,500
 Cr investment in snow comp 12,500

E.4-3 Best Comp acquired 100% of Flair Comp

by issuing Bond 670,000 Fair and Book value
and Cash payment by 24,000

↳ 670,000 + 24,000
= 694,000

Net Assets of Flair 600,000
+ 16,000 increase in the FMV of the land
= 616,000

694,000 - 616,000 = 78,000 / 8 = 9,750 Differential Amortization

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For 2017

Dr investment in sub 694,000
Cr Cash 24,000
Cr Bond payable 670,000

Dr income from sub 88,000
Cr investment in sub 88,000

Dr Cash 24,000
Cr investment in sub 24,000

Dr income from sub 9,750
Cr investment in sub 9,750

For 2018

Dr investment in sub 120,000
Cr income from sub 120,000

Dr Cash 24,000
Cr investment in sub 24,000

Dr income from sub 9,750
Cr investment in sub 9,750

E4-4 Capital Company Acquired 100% of Cook Company for 340,000

↳ The Cook's Assets = 300,000 Book value
340,000 Fair value

40,000 is increased in Building FV for 10 useful life

$40,000 / 10 = 4,000$ Differential Amortization

→ Journal Entry

① using equity method

2014
↳ Dr investment in sub 340,000
Cr Cash 340,000

↳ Dr investment in sub 10,000
Cr income from sub 10,000

↳ Dr Cash 6,000
Cr investment in sub 6,000

↳ Dr income from sub 4,000
Cr investment in sub 4,000

For 2015

Dr investment in sub 20,000
Cr income from sub 20,000

Dr Cash 9,000
Cr investment in sub 9,000

Dr income from sub 4,000
Cr investment in sub 4,000

② using Cost Method

2014
↳ Dr investment in sub 340,000
Cr Cash 340,000

Dr Cash 6,000
Cr Dividend income 6,000

2015

Dr Cash 9,000
Cr Dividend income 9,000

E4-B Branch acquired 100% of Hardy Company Common stock on 1/1, 2015 → and paid 28,000 above the Book value

↳ $28,000 / 8 = 3,500$ المباخرات

on 2016

investment ending Balance	=	161,000
less income from sub		(6,000)
+ Amortization Differential		3,500
+ Dividend per income		12,000

170,500 → ending Por 2015

on 2015

ending Balance	170,500
less income from sub	(33,000)
+ Amortization P.P	3,500
+ Dividend per income	15,000
	<u>156,000</u>

↓
investment Account Balance at the Date of purchase?

E4-7

a. Liabilities = Liabilities

↳ The income from subsidiary
2016 + 2017 + 2018 = 72,000

less Dividend paid by sub
2016 + 2017 + 2018 = (22,000)

= 50,000

less The Differential Amortization
(56,000 - 40,000) [(16,000/8) x 3] = (6,000)

Required investment account = 44,000

↳ Compute the Required Retained Earning → For Grand
using the equity method

2016 → 16,000 - 2,000 = 14,000
2017 → 24,000 - 2,000 = 22,000 → 36,000

less → Dividend income using Cost M
2016 + 2017 → 6,000 + 8,000 → (14,000)

Required Retained Earning = 22,000

For 2018

entry →	Dr investment in sub	44,000	
	Dr Dividend income	8,000	
<u>Dr sp</u>	Cr income from sub	30,000	(32,000 - 2,000)
<u>paid</u>	Cr Retained Earning	22,000	

E4-9 a - Notes: 1/2/21

□ write off the Differential assigned to inventory
 $130,000 - 120,000 = \underline{10,000}$

□ Differential amortization for Building and Equipment
 $300,000 - 150,000 = 150,000$
↓
 $240,000 - 150,000 = 90,000 / 10 = \underline{9,000}$

entry □ Dr investment in sub 437,500
Cr Cash 437,500

□ Dr investment in sub 16,000
Cr income from sub 16,000

□ Dr Cash 3,200
Cr investment in sub 3,200

□ Differential Amortization for B & E

Dr income from sub 9,000
Cr investment in sub 9,000

□ write off the Differential for inventory

Dr income from sub 10,000
Cr investment in sub 10,000

E4-12

المسألة رقم 12 من الفصل 4

↳ investment in sub →	100,000
less F.V. of det identifiable Assets	(82,000)
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Good will	18,000

det that	
inventory	5,000 ↑
Building & Eq	70,000 ↑
Good will	18,000

Total Diff	43,000
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or
 $100,000 - 57,000 = 43,000$

المسألة رقم 12 من الفصل 4

Basic and Reclassification entry

Dr Common stock - S	20,000
Dr Retained Earnings - S	37,000
Dr Inventory - S	5,000
Dr Building & Equipment - S	70,000
Dr Good will S	18,000

Cr investment in sub - P	100,000
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Dr = Cr
 = 100,000

E4-1B

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Dr investment in sub 395,000
 Cr Cash 395,000

Good will →
 □ inventory increased by 36,000
 □ Building decreased by 20,000

↳ ^{Fair Value} New net identifiable Assets = 376,000

395,000
 - (376,000) ⇒ = 19,000

Basic and Reclassification entry

Dr Common stock - S 120,000
 Dr Retained Earning - S 240,000
 Dr inventory - S 36,000
 Dr Good will - S 19,000

Cr investment in sub - P 395,000
 Cr Building - S 20,000

Dr = Cr
 = 415,000

E4-16 Gold acquired 100% of Premium Builder Company
 for 167,000 *لـ باقتطابها حساب الكناح*

↳ Dr investment in sub 167,000
 Cr Cash 167,000

Total Fair Marketed value for P-Builder = 167,000
 ↳ so Gold Good will

↳ Basic and Reclassification entry Dr = Cr
169,000

Dr Common stock - s 140,000
 Dr Retained Earning - s 10,000
 Dr Inventory - s 7,000
 Dr Building & Equipments 12,000

Cr investment in sub-P 167,000
 Cr Cash & Receivable - s 2,000

*Gold Company and subsidiary
 Consolidated Balance sheet
 Jan, 1, 2015*

Cash & Rec (80,000 + 30,000 - 2,000)	108,000	Current liability (100,000 + 110,000)	210,000
Inventory (150,000 + 350,000 + 7,000)	507,000	long term Debt (400,000 + 200,000)	600,000
B & Eq (430,000 + 80,000 + 12,000)	522,000	Common stock	200,000
		Retained Earning	127,000
Total Assets	= 1,137,000	Total lia & Equity	= 1,137,000

E4-19 Canton Company acquired 100% of Winston Company

Winston Company had

- o Common stock 60,000
- o Retained Earnings 90,000

Total	150,000
+ Above 1/5 Book value	28,000
Total investment	178,000

Differential Amortization = $28,000 / 7 = 4,000$ per year

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Dr investment in sub	178,000		investment in sub
Cr Cash	178,000	178,000	12,000
		30,000	4,000
Dr investment in sub	30,000	192,000	
Cr income from sub	30,000		
Dr Cash	12,000		income from sub
Cr investment in sub	12,000	4,000	30,000
		4,000	26,000
Dr income from sub	4,000		
Cr investment in sub	4,000		

Basic and Reclassification entry

Dr Common stock - S	60,000	
Dr Retained Earnings - S	90,000	
Dr income from sub - P	26,000	
Dr Equipment - S	28,000	
Dr Depreciation exp - S	4,000	
Cr Dividend Declared - S		12,000
Cr investment in sub - P		192,000
Cr Accumulated Dep - S		4,000

E4-22

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□ investment 100% in short company for 180,000
 and net book value = 150,000 so total difference
 = 30,000 / 6 = 5000

Differential Amortization

□ Dr. investment in sub 180,000
 Cr. Cash 180,000

investment in sub	
180,000	10,000
30,000	5,000
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195,000	

□ Dr. investment in sub 30,000
 Cr. income from sub 30,000

income from sub	
	30,000
5,000	
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	25,000

□ Dr. Cash 10,000
 Cr. investment in sub 10,000

□ Dr. income from sub 5,000
 Cr. investment in sub 5,000

Basic and reclassification entry

Dr. Common stock - S 100,000
 Dr. Retained Earnings - S 50,000
 Dr. income from sub - P 25,000
 Dr. Depreciable Assets - S 30,000
 Dr. Depreciation expense - S 5,000
 Dr. Dividend Dec - S 10,000
 Cr. investment in sub - P 195,000
 Cr. Accumulated Dep - S 5,000

P4-25 Assignment of Differential in worksheet

total cash paid to acquire the whole Common stock	= 290,000 >	Fair value of net identifiable Assets of Sully Corp	260,000
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↳ Good will = 30,000

Building & Equipment increase by 10,000

Dr investment in sub	290,000
Cr Cash	290,000

Optional elimination entry

Dr Accumulated Dep-s	65,000
Cr Building & Equipment-s	65,000

Basic and reclassification entry

Dr Common stock-s	100,000
Dr Retained Earning-s	150,000
Dr Building & Equipment-s	10,000
Dr Good will-s	30,000
Cr investment in sub-P	290,000

in the consolidated Balance sheet

$$\text{Total Assets} = \text{Total Liability and Equity}$$

$$= 795,000$$

(b)

Teresa and Subsidiary
Consolidated Balance sheet
Jan 1, 2014

Cash and Receivables	60,000
Inventory	135,000
Land	170,000
Building and Equipment	575,000
-Acc. Depreciation	(175,000)
Goodwill	30,000
<u>Total Assets</u>	<u>= 795,000</u>

Account payable	75,000
Wk payable	150,000
Common stock	300,000
Retained Earnings	270,000
<u>Total Liability and Equity</u>	<u>= 795,000</u>

P4-27

Case acquiring all outstanding shares of Frey Company for 2,260,000

Dr. investment in sub	2,260,000		
Cr. Cash		2,260,000	
Dr. investment in sub	580,000		
Cr. income from sub		580,000	
Dr. Cash	160,000		
Cr. investment in sub		160,000	

			investment in sub
		2,260,000	
		580,000	160,000
		2,680,000	
			income from sub
			580,000

↳ Basic and Reclassification entry

Dr. Common stock - S	1,000,000	
Dr. Retained Earning - S	820,000	
Dr. income from sub - P	580,000	
Dr. Land - S	250,000	
Dr. APIC - S	190,000	
Cr. Dividend Dec - S		160,000
Cr. investment in sub - P		2,680,000

Dr. = Cr. ⇒ = 2,340,000

P4-28 a. Note on label

⇒ Thompson acquire all Common stock of Lake Company for 240,000 on 1,1, 2012

The Differential →

240,000
- (200,000)
40,000

→ 40,000 / 10 = 4,000

make the calculation need to make a Consolidation Balance sheet on 31/12/2013

↳ Differential Amortization = 4000 x 2 = 8000

المبلغ المتبقي → investment acc on Dec, 31, 2013 = 252,000

- optional elimination entry

D, Accumulated Dep-s	25,000
C, Building & Equipm-s	25,000
- Basic and Reclassification entry

D, Common stock-s	100,000
D, Retained Earning-s	120,000
D, Building & Eq-s	40,000
C, investment in sub-P	252,000
C, Acc-Dep-s	8000

124-29 → نکتہ عملی سوال
 پر قبل سے کیا گیا ہے

Dr. investment in sub	32,000	252,000	12,000
Cr income from sub	32,000	32,000	4,000
		268,000	

Dr. Cash	12,000		
Cr investment in sub	12,000		

Dr. income from sub	4,000	4,000	
Cr investment in sub	4,000		

Optional elimination entry

Dr. Acc-Dep-s	25,000		
Cr Building & Eq-s		25,000	

Basic and Reclassification entry

Dr. Common stock -s	100,000		
Dr. Retained Earning -s	120,000		
Dr. income from sub - P	28,000		
Dr. Building & Equipment -s	40,000		
Dr. Depreciation expense -s	4,000		
Dr. Account payable -s	2,500		
Cr Dividend Rec -s		12,000	
Cr investment in sub - P		268,000	
Cr Accumulated Dep -s		12,000	
Cr Account Rec - P		2,500	

Consolidated Net Income	850,000
Service revenue	(600,000)
- Cost of service revenue	(57,000)
Dep. expense + 4,000	(117,000)
Other expense	
<u>Consolidated Net Income</u>	<u>76,000</u>

Consolidated Retained Earnings	292,000
+ Beginning R.E.	76,000
+ Con. Net Income	(30,000)
- Dividend Dec by parent	
<u>Consolidated Retained Earnings</u>	<u>338,000</u>

Cash	116,000
Acc. Receivable - 2,500	180,500
Land	110,000
Building & Equipment	890,000
less - Acc Dep + 12,000	(370,000)
<u>Total Assets</u>	<u>926,500</u>

Account payable - 2,500	85,000
Taxes payable	118,000
Note payable	185,000
Common stock	200,000
<u>Total Liability and Equity</u>	<u>338,000</u>
	<u>926,500</u>

P4-30 → a - 10/1/20 - 1/2/21

↳ The land increased by 20,000
inventory Decreased by 7,000

↳ 255,000 + 13,000 = 268,000

ⓐ Acquired by → 280,000 > 268,000

↳ Goodwill = 12,000

D Investment in sub 280,000
Cr Cash 280,000

Basic and Reclassification entry

D Common stock - S	80,000	
D Retained Earning - S	175,000	
D Land - S	20,000	Dr = Cr
D Goodwill - S	12,000	
Cr inventory - S		7,000
Cr investment in sub - P		280,000
		= 287,000

ⓑ Acquired by → 251,000 < 268,000

↳ Bargain purchase = 17,000

D investment in sub 251,000
Cr Cash 251,000

Basic and Reclassification entry

D Common stock - S	80,000	Dr = Cr
D Retained Earning - S	175,000	275,000
D Land - S	20,000	
Cr investment in sub - P		251,000
Cr inventory - S		7,000
Cr Gain on bargain purchase - P		17,000

P4-31 → Kim Company acquired 100% of Normal Company on January 1, 2017 for 305,000

Kim purchased \$50,000 of Normal Bonds
Normal owes the Kim 10,000

Dr. investment in sub 305,000
Cr Cash 305,000

Dr. optional elimination entry

Dr. Accumulated Depreciation - S 75,000
Cr Building & Equipments 75,000

Dr. Basic and Reclassification entry

Dr. Common stock - S 150,000
Dr. APIC - S 140,000
Dr. Goodwill - S 20,000
Dr. Bond payable - S 50,000
Dr. Account payable - S 10,000

Dr. Cr
= 370,000

Cr. Retained Earnings - S 5,000
Cr. investment in sub - P 305,000
Cr. investment in sub's Bonds - P 50,000
Cr. Account Receivable - P 10,000

(b)

Kim Corporation and sub
Consolidated Balance sheet
Jan 1, 2017

Cash	105,000	Account payable	60,000
Account Receivable	145,000	Bond payable	250,000
Inventory	164,000	Common stock	300,000
Building & Equipment	625,000	Retained Earnings	289,000
- Acc Dep	(160,000)		
Goodwill	20,000		
<u>Total</u>	<u>899,000</u>		<u>899,000</u>

P4-32 Primary Company Acquired 100% of Street Company for \$650,000 in exchange with Bonds issued

↳ 650,000
(602,000) → Goodwill = 48,000

□ Dr. investment in sub 650,000
Cr. Bond Payable 650,000

□ optional elimination entry
Dr. Accumulated Dep's 220,000
Cr. Building & Equipment-s 220,000

□ Basic and Reclassification entry
Dr. Common stock-s 200,000
Dr. APIC-s 130,000
Dr. Retained Earnings-s 148,000
Dr. Land-s 20,000
Dr. inventory-s 4,000
Dr. Building of Eq-s 50,000
Dr. Patent-s 40,000
Dr. Goodwill-s 48,000
Dr. Discount on B/P-s 10,000
Dr. Allowance for Bad Debt-s 1,000
Dr. Current payable-s 6,500

Cr. Receivables - P 7,500
Cr. investment in sub - P 650,000
Cr. ~~650,000~~

Dr = Cr
= 657,500

Primary Corp and Subsidiary
Consolidated Balance sheet
Jan 2, 2018

Cash		21,000
Receivables	65,500	
- Allowance for Bad Debt	<u>(3,000)</u>	62,500
Inventory		158,000
Land		125,000
Building and Equip	1,460,000	
- Acc. Dep	<u>(411,000)</u>	1,049,000
Patent		40,000
Goodwill		<u>48,000</u>
Total Assets		1,503,500

Current payable		60,500
Bond payable	95,000	
- Discount on B/P	<u>(10,000)</u>	940,000
Common Stock		300,000
APIC		100,000
Retained Earnings		<u>103,000</u>
Total Liability and Equity		1,503,500

P4-33

Corporation acquired 100 percent of Roller Company for \$128,000

Goodwill → 128,000
 (120,000) ⇒ = 8,000

Goodwill	
5,500	8,000
<hr/>	
	2,500

CU = 2,500 ⇒ 5,500 impairment

Dr investment in sub 128,000
 Cr Cash 128,000

			investment in sub	
Dr investment in sub	24,000	128,000	128,000	16,000
Cr income from sub	24,000	24,000	24,000	7,500
Dr Cash	16,000	128,500		
Cr investment in sub	16,000		income from sub	
Dr income from sub	7,500			24,000
Cr investment in sub	7,500	7,500		
				<hr/>
				16,500

Optional elimination entry
 Dr Accumulated Depreciation-s 30,000
 Cr Building & Equipment-s 30,000

Basic and Reclassification entry

Dr Common stock-s	60,000	
Dr Retained Earning-s	40,000	
Dr income from sub-P	16,500	
Dr Goodwill-s	2,500	
Dr Building & Equipment-s	20,000	
Dr Depreciation expens-s	2,000	
Dr impairment on G.W-s	5,500	
Cr Dividend Dec-s		16,000
Cr investment in sub-P		128,500
Cr Acc-Dep-s		2,000

Dr = Cr = 146,500

Consolidated Income Statement

Sales	440,000
- COGS	(235,000)
- wage exp	(69,000)
- Dep exp + 2000	(37,000)
- Interest exp	(16,000)
- Other exp	(18,500)
- Impairment loss	(5,500)

Consolidated Net Income 59,000

Consolidated Retained Earning

o Beg. RE	102,000
+ Con. Net Income	59,000
- Dividend Dec	(30,000)

Consolidated Retained Earning 131,000

Total Assets = Total Liab & Equity

618,000

P4-34 →

Consolidated worksheet at End of the second year of ownership → 31/12/2019

Dr. investment in sub	36,000	investment in sub	
Cr. income from sub	36,000	178,500	20,000
Dr. Cash	20,000	36,000	2,000
Cr. investment in sub	20,000	142,500	
Dr. income from sub	2,000	income from sub	
Cr. investment in sub	20,000		36,000
		2,000	
			34,000

optional elimination entry

Dr. Accumulated Depreciation - S	30,000
Cr. Building & Equipment - S	30,000

Basic and Reclassification entry

Dr. Common stock - S	60,000
Dr. Retained Earning - S	48,000
Dr. Goodwill - S	2,500
Dr. income from sub - P	34,000
Dr. Building & Equipment - S	20,000
Dr. Depreciation expense - S	2,000

Cr. Dividend Declared - S	20,000
Cr. Investment in sub - P	142,500
Cr. Accumulated Dep - S	4,000

Retained Earning → $40,000 + 24,000$
 $= 64,000$
 $(16,000)$
48,000

Mill Corporation and sub
 Consolidated Balance sheet
 Dec, 31, 2019

Cash	77,500
Account Receivable	99,000
Inventory	121,000
land	75,000
Building, & Equipment	490,000
- Acc - Depreciation	(194,000)
Goodwill	<u>2,500</u>
Total Assets	671,000

Account payable	66,000
Wages payable	20,000
Notes payable	200,000
Common stock	200,000
Retained Earning	<u>185,000</u>
Total Liability and Equity	671,000

Consolidated Net income

sales	490,000
- COGS	(259,000)
- wages exp	(55,000)
- Dep. exp	(37,000)
- Interest exp	(16,000)
- Other exp	<u>(39,000)</u>

Consolidated
 Net income

84,000

Consolidated Retained Earning

Req R.E	131,000
Con-Net income	84,000
- Dividend Dec	(30,000)
Consolidated R.E	185,000

P4-35 Power Company acquired 100 of Upland products Company
 in 1/1/2011 ~~for~~ 200,000
 on that date Retained Earning = 50,000, Common Stock = 100,000

The Fair market value was more than Book value by
 50,000 to be assigned to depreciable assets that
 has useful life 10 years

$50,000 / 10 = 5,000$

There was 10,000 of intercorporate receivable and payable
 at the end of 2015

on 31/12/2015

Dr. investment in sub	30,000	a 10,000 = 10,000	
Cr. income from sub	30,000		
Dr. Cash	10,000		income from sub
Cr. investment in sub	10,000		30,000
Dr. income from sub	5,000	5,000	
Cr. investment in sub	5,000		25,000

Basic and Reclassification entry

Dr. Common Stock - S	100,000	
Dr. Retained Earning - S	90,000	
Dr. Depreciable Assets - S	50,000	
Dr. Income from sub - P	25,000	
Dr. Depreciation expens - S	5,000	
Dr. Account payable - S	10,000	
Cr. Dividend Dec - S		10,000
Cr. Investment in sub - P		235,000
Cr. Accumulated Dep - S		25,000
Cr. Cash and Receivable - P		10,000

Dr = Cr
 280,000

P4-31 All

Greenly Company Acquired 100 of Linley's Common Stock for 935,000 → a business combination

Dr. investment in sub	935,000	
Cr. Cash	935,000	
Dr. Inventory	5,000	
Dr. Land	85,000	
Dr. Buildings	100,000	
Dr. Equipment	70,000	
Cr. Retention Capital	260,000	

at Business Combination Date
 ↳ Basic and Reclassification entry

Dr. Common Stock-s	100,000	
Dr. APF-Capital-s	400,000	
Dr. Retained Earning-s	175,000	
Dr. Retention Capital-s	260,000	
Cr. investment in sub-P	935,000	

During 2017

Dr. investment in sub	88,000	
Cr. income from sub	88,000	

Dr. Cash	50,000	
Cr. investment in sub	50,000	

investment in sub		income from sub	
935,000			88,000
88,000	50,000		
<hr/>		<hr/>	
973,000			88,000

o Basic and Reclassification entry For 2017

Dr Common Stock - S	100,000
Dr Retained Earnings - S	175,000
Dr APIC - S	400,000
Dr Income From Sub - P	88,000
Dr Revaluation Capital - S	260,000
Cr Dividend Dec - S	50,000
Cr Investment in sub - P	973,000

During 2018

Investment in sub	
973,000	
90,000	50,000
1,013,000	

Dr Investment in sub	90,000
Cr Income From sub	90,000
Dr Cash	50,000
Cr Investment in sub	50,000

A.E → 175,000 + 88,000 - 50,000
 ↳ **213,000**

o Basic and Reclassification entry

Dr Common stock - S	100,000
Dr Retained Earnings - S	213,000
Dr APIC - S	400,000
Dr Income From sub - P	90,000
Dr Revaluation Capital - S	260,000
Cr Dividend Dec - S	50,000
Cr Investment in sub - P	1,013,000