

Advanced Accounting 5th Edition

김용석 CPA/CFA

Task-Based Simulation Solutions

2022

Chapter 5. Share-based payment

[Q 5-1]

Instruction (1)

Date	Account Name	Debit	Credit
1/1/20X1	No entry		
12/31/20X1	Compensation expense	383,323	
	APIC-stock option		383,323
12/31/20X2	Compensation expense	314,368	
	APIC-stock option		314,368
12/31/20X3	Compensation expense	348,845	
	APIC-stock option		348,845

$$* 20X1 \text{ expense} = 90,000 \times 0.97^3 \times \$14 \times 1/3 = \$383,323$$

$$* 20X2 \text{ expense} = 90,000 \times 0.94^3 \times \$14 \times 2/3 - \$383,323 = \$314,368$$

$$* 20X3 \text{ expense} = 90,000 \times 0.94^3 \times \$14 \times 3/3 - \$697,691 = \$348,845$$

$$* 20X3 \text{ APIC-S/O} = 90,000 \times 0.94^3 \times \$14 \times 3/3 = \$1,046,536$$

Instruction (2) par value = \$10 가정

Date	Account Name	Debit	Credit
Exercise	Cash	2,242,620	
	APIC-stock option	1,046,536	
	Common stock		747,540
	APIC-common stock		2,541,616 (plug)

$$* \text{Cash} = 90,000 \times 0.94^3 \times \$30 = \$2,242,620$$

$$* \text{Common stock} = 90,000 \times 0.94^3 \times \$10 = \$747,540$$

[Q 5-2]

Instruction

Date	Account Name	Debit	Credit
1/1/20X1	No entry		
12/31/20X1	Compensation expense	574,984	
	SAR liability		574,984
12/31/20X2	Compensation expense	670,892	
	SAR liability		670,892
12/31/20X3	Compensation expense	996,701	
	SAR liability		996,701

$$* 20X1 \text{ expense} = 90,000 \times 0.97^3 \times \$21 \times 1/3 = \$574,984$$

$$* 20X2 \text{ expense} = 90,000 \times 0.94^3 \times \$25 \times 2/3 - \$574,984 = \$670,892$$

$$* 20X3 \text{ expense} = 90,000 \times 0.94^3 \times \$30 \times 3/3 - \$1,245,876 = \$996,701$$

$$* 20X3 \text{ liability} = 90,000 \times 0.94^3 \times \$30 \times 3/3 = \$2,242,577$$

Chapter 6. Investment

[Q 6-1]

Instruction (1) : held-to-maturity

Date	Account Name	Debit	Credit
1/1/Year1	Investment-debt	946,000	
	Cash		946,000
12/31/Year1	Investment-debt	14,600	
	Interest receivable	80,000	
	Interest revenue		94,600

Instruction (2) : fair-value option

Date	Account Name	Debit	Credit
1/1/Year1	Investment-debt	946,000	
	Cash		946,000
12/31/Year1	Interest receivable	80,000	
	Interest revenue		80,000
12/31/Year1	Investment-debt	4,000	
	Unrealized holding gain		4,000

Instruction (3) : available-for-securities

Date	Account Name	Debit	Credit
1/1/Year1	Investment-debt	946,000	
	Cash		946,000
12/31/Year1	Investment-debt	14,600	
	Interest receivable	80,000	
	Interest revenue		94,600
(1) If either of two conditions are met			
12/31/Year1	Credit loss expense	10,600	
	Investment-debt		10,600

(2) If neither of two conditions are met and the decline is the credit loss			
12/31/Year1	Credit loss expense	10,600	
	Allowance for credit losses		10,600
(2) If neither of two conditions are met and the decline is no credit loss			
12/31/Year1	Unrealized holding loss-OCI	10,600	
	Investment-debt		10,600

[Q 6-2]

Date	Account Name	Debit	Credit
7/1/Year1	Investment-FVTNI	70,500	
	Cash		70,500
12/31/Year1	Investment-FVTNI	34,500	
	Unrealized holding gain		34,500
Sale-Year 2	Cash	51,000	
	Investment-FVTNI		49,000
	Gain on sale of investment		2,000
12/31/Year2	Unrealized holding loss	8,000	
	Investment-FVTNI		8,000

[Q 6-3]

Instruction (1) : held-to-maturity

Date	Account Name	Debit	Credit
1/1/Year1	Investment-debt	906,000	
	Interest receivable	40,000	
	Cash		946,000
12/31/Year1	Investment-debt	5,300	
	Interest receivable	40,000	
	Interest revenue		45,300

Task-Based Simulation

Instruction (2) : fair-value option

Date	Account Name	Debit	Credit
1/1/Year1	Investment-debt	906,000	
	Interest receivable	40,000	
	Cash		946,000
12/31/Year1	Interest receivable	40,000	
	Interest revenue		40,000
12/31/Year1	Investment-debt	44,000	
	Unrealized holding gain		44,000

Instruction (3) : available-for-securities

Date	Account Name	Debit	Credit
1/1/Year1	Investment-debt	906,000	
	Interest receivable	40,000	
	Cash		946,000
12/31/Year1	Investment-debt	5,300	
	Interest receivable	40,000	
	Interest revenue		45,300
12/31/Year1	Investment-debt	38,700	
	Unrealized holding gain-OCI		*38,700

* $950,000 - (906,000 + 5,300) = 38,700$

[Q 6-4]

Instruction (1) : equity securities (FVTNI)

Date	Account Name	Debit	Credit
1/1/Year1	Investment-FVTNI	27,000	
	Cash		27,000
3/1/Year1	No entry		
7/1/Year1	Cash	*2,300	
	Dividend revenue		2,300
12/31/Year1	Investment-FVTNI	7,500	
	Unrealized holding gain		**7,500

$$* 1,000 \times 1.15 \times \$2 = \$2,300$$

$$** 1,000 \times 1.15 \times \$30 - \$27,000 = \$7,500$$

Instruction (2) : equity securities (Equity method)

Date	Account Name	Debit	Credit
1/1/Year1	Investment	27,000	
	Cash		27,000
3/1/Year1	No entry		
7/1/Year1	Cash	*2,300	
	Investment		2,300
12/31/Year1	Investment	5,750	
	Investment income		***5,750

$$*** 1,000 \times 1.15 \times \$5 = \$5,750$$

[Q 6-5]

$$(1) \text{ Investment income} = (10,000 - *2,000) \times 20\% = \underline{\$1,600}$$

$$* \text{ Amortization of differences} = 20,000 \div 10 \text{ years} = 2,000$$

$$(2) \text{ Investment} = 25,000 + 1,600 - 4,000 \times 20\% = \underline{\$25,800}$$

[Q 6-6]

$$(1) \text{ Investment income} = (10,000 + *2,000) \times 20\% = \underline{\$2,400}$$

$$* \text{ Amortization of differences} = 20,000 \div 10 \text{ years} = 2,000$$

$$(2) \text{ Investment} = 25,000 + 2,400 - 4,000 \times 20\% = \underline{\$26,600}$$

[Q 6-7]

$$(1) \text{ Investment income} = 10,000 \times 6/12 \times 20\% = \underline{\$1,000}$$

$$(2) \text{ Gain on sale of investment} = 15,300 - *13,600 = \underline{\$1,400}$$

$$* \{25,000 + (10,000 - 4,000) \times 20\% + 1,000\} \times 10\%/20\% = \$13,600$$

$$(3) \text{ Dividend income} = 4,000 \times 10\% = \underline{\$400}$$

$$(4) \text{ Investment} = \underline{\$13,600}$$

[Q 6-8]

- (1) Investment income = $12,000 \times 9/12 \times 30\% = \underline{\$2,700}$
 (2) Investment = $25,000 + 60,000 + 2,700 - 4,000 \times 30\% = \underline{\$86,500}$
 (3) Unrealized holding gain = $30,000 - 25,000 = \$5,000$

[Q 6-9]

Date	Account Name	Debit	Credit
1/2/Year2	Investment	156,000	
	Cash		156,000
Dividends	Cash	7,000	
	Investment		7,000
12/31/Year2	Investment	30,400	
	Investment income		*30,400

* Investment income = $(80,000 - 4,000) \times 40\% = \underline{30,400}$

Amortization of differences = $(156,000 \div 30\% - 500,000) \div 5 \text{ years} = 4,000$

[Q 6-10]

Instruction (1) : debt securities (AFS-US GAAP)

Date	Account Name	Debit	Credit
7/1/Year1	Investment-AFS	120	
	Cash		120
12/31/Year1	Investment-AFS	30	
	Unrealized holding gain-OCI		*30

* $120 \text{ EUR} \times 1.25 - 100 \text{ EUR} \times 1.20 = \30

Chapter 7. Accrual Basis

[Q 7-1]

Accounts	Cash basis		Adjustments		Accrual basis	
	Dr	Cr	Dr	Cr	Dr	Cr
Beginning R/E		50,000	1,400	2,500		51,100
Insurance expense	8,500			333	8,167	
Rent expense	12,000		200		12,200	
Prepaid expense			2,833		2,833	
Accrued expense				1,600		1,600

(1) Prepaid expense for insurance

$$\text{Year 1} = 7,500 \times 4/12 = 2,500$$

$$\text{Year 2} = 8,500 \times 4/12 = 2,833$$

(2) Accrued expense for rent

$$\text{Year 1} : 1,400$$

$$\text{Year 2} : 1,600$$

[Q 7-2]

Date	Account Name	Debit	Credit
12/31/Year1	Insurance expense	*3,100	
	Rent expense	**500	
	Prepaid expense		3,600

$$*3,200 \times 6/12 + 1,500 = 3,100 \quad ** 2,000 \times 3/12 = 500$$

[Q 7-3]

Date	Account Name	Debit	Credit
12/31/Year1	Advertising expense		5,000
	Prepaid expense	15,000	
	Accrued expense		10,000

[Q 7-4]

If the contract had not been obtained, it would not have been incurred

→ Assets

Account Name	Debit	Credit
Assets	25,000	
Expenses	50,000	
Cash		75,000

[Q 7-5]

Agent relationship

Account Name	Debit	Credit
Cash	250,000	
Revenue		12,500
Payable		237,500

if ticket sales totaled \$350,000

Account Name	Debit	Credit
Cash	350,000	
Revenue		17,500
Payable		332,500

[Q 7-6]

Bill-and-hold arrangement → [September 1, Year 2](#)

[Q 7-7]

Consignor/consignee relationship

Inventory = 0

Revenue = \$38,000 x 10% = **\$3,800**

[Q 7-8]

Date	Account Name	Debit	Credit
4/15	No entry		
7/31	Cash	215,000	
	Unearned revenue		215,000
8/31	Unearned revenue	215,000	
	Sales revenue		215,000
	COGS	175,000	
	Inventory		175,000

[Q 7-9]

\$15,000 x 350 members x 6/12 = **\$2,626,000**

Chapter 8. Statement of Cash Flows

[Q 8-1]

Instruction (1)

$$\Delta \text{net PPE} = 30,000 = \text{acquisition} - 45,000 \rightarrow \text{acquisition} = 75,000$$

$$\Rightarrow \text{payment for purchase of PPE} = 75,000 - 20,000 = \underline{55,000}$$

Instruction (2)

$$\Delta \text{net AD} = 11,000 = 33,000 - \text{sale} \rightarrow \text{sale} = 22,000$$

$$\text{Cash} = 45,000 - 22,000 + 14,500 \Rightarrow \text{Cash} = \underline{37,500}$$

Instruction (3)

$$\Delta \text{net RE} = 13,000 = 31,000 - \text{declare} \rightarrow \text{declare} = 18,000$$

$$\Delta \text{net DP} = 3,000 = 18,000 - \text{cash} \Rightarrow \text{Cash} = \underline{15,000}$$

Instruction (4)

$$\Delta \text{net BP} = 3,000 = 20,000 - \text{redemption} \Rightarrow \text{redemption} = \underline{17,000}$$

[Q 8-2]

Cash flows from operating activities	
Net income	370,000
Depreciation & amortization	150,000
Investment income	(30,000)
Gain on sale of PPE	(5,000)
Decrease in net account receivable	40,000
Decrease in inventory	140,000
Increase in account payable	100,000
Increase in tax payable	8,000
Net cash provided by operating activities	\$773,000
Cash flows from investing activities	
Proceeds from sale of PPE	40,000
Loan paid	(300,000)
Collection of loan	37,500
Purchase of investment	(275,000)
Net cash provided by investing activities	(\$497,500)
Cash flows from financing activities	
Repayment of lease liability	(68,000)
Dividend paid	(100,000)
Net cash provided by financing activities	(\$168,000)
Net increase in cash	107,500
Cash at beginning of the year	700,000
Cash at end of the year	807,500

[Q 8-3]

Instruction (1) Direct method

Cash flows from operating activities	
Cash received from customer	1,155,450
Cash paid for inventory	(760,000)
Cash paid for S&A expense	(226,350)
Dividend revenue	2,400
Interest paid	(57,300)
Income tax paid	(38,400)
Net cash provided by operating activities	\$75,800
Cash flows from investing activities	
Proceeds from sale of land	58,000
Proceeds from sale of short-term investment	14,000
Purchase of equipment for cash	(125,000)
Net cash provided by investing activities	(\$53,000)
Cash flows from financing activities	
Repayment of long-term borrowing	(10,000)
Proceeds from issuance of common stock	22,500
Dividend paid	(24,300)
Net cash provided by financing activities	(\$11,800)
Net increase in cash	+11,000
Cash at beginning of the year	4,000
Cash at end of the year	15,000

[Q 8-3]

Instruction (2) Indirect method

Cash flows from operating activities	
Net income	58,850
Depreciation & amortization	40,500
Amortization of bond premium	(5,550)
Gain on sale of land	(8,000)
Gain on sale of short-term investment	(4,000)
Increase in net account receivable	(4,550)
Increase in inventory	(7,000)
Decrease in prepaid rent	9,000
Increase in prepaid insurance	(1,200)
Increase in office supplies	(250)
Decrease in account payable	(5,000)
Increase in tax payable	1,000
Increase in wage payable	2,000
Net cash provided by operating activities	\$75,800
Cash flows from investing activities	
Proceeds from sale of land	58,000
Proceeds from sale of short-term investment	14,000
Purchase of equipment for cash	(125,000)
Net cash provided by investing activities	(\$53,000)
Cash flows from financing activities	
Repayment of long-term borrowing	(10,000)
Proceeds from issuance of common stock	22,500
Dividend paid	(24,300)
Net cash provided by financing activities	(\$11,800)
Net increase in cash	+11,000
Cash at beginning of the year	4,000
Cash at end of the year	15,000

[Q 8-4] SKIP**[Q 8-5]**

Indirect method

Cash flows from operating activities	
Net income	790,000
Depreciation	250,000
Gain on sale of investment	(35,000)
Increase in net account receivable	(100,000)
Increase in inventory	(80,000)
Decrease in account payable	(5,000)
Net cash provided by operating activities	\$820,000
Cash flows from investing activities	
Proceeds from sale of PPE	350,000
Proceeds from sale of investment	135,000
Purchase of equipment for cash	(1,190,000)
Net cash provided by investing activities	(\$705,000)
Cash flows from financing activities	
Repayment of short-term borrowing	125,000
Proceeds from issuance of common stock	220,000
Dividend paid	(340,000)
Net cash provided by financing activities	(\$5,000)
Net increase in cash	+120,000

Chapter 9. Accounting Changes

[Q 9-1]

Situation (1)

Date	Account Name	Debit	Credit
1/1/Year9	No entry		
12/31/Year9	Depreciation expense	17,000*	
	Accumulated Depreciation		17,000

* $(120,000 \times 11/15 - 3,000) \div 5 = 17,000$

Situation (2)

Date	Account Name	Debit	Credit
1/1/Year9	No entry		
12/31/Year9	Depreciation expense	133,333*	
	Accumulated Depreciation		133,333

* $500,000 \times 2/5 \times 2/3 = 133,333$

Situation (3)

Date	Account Name	Debit	Credit
1/1/Year9	Machine	140,000	
	Accumulated Depreciation		*56,000
	Retained Earnings		84,000
12/31/Year9	Depreciation expense	**14,000	
	Accumulated Depreciation		14,000

* $140,000 \times 4/10 = 56,000$

** $140,000 \times 1/10 = 14,000$

[Q 9-2]

Items	20X1				20X2			
	A	L	E	NI	A	L	E	NI
1	U	N	U	U	N	N	N	O
2	U	U	N	N	N	N	N	N
3	N	U	O	O	N	N	N	U
4	N	U	O	O	N	N	N	U
5	U	N	U	U	U	N	U	O

Chapter 10. Business Combination

[Q 10-1]

Instruction (1)

Full goodwill = FV of Sun - FV of net assets of Sun

FV of Sun = $1,300,000 + 1,300,000 \times 20\% \div 80\% = 1,625,000$

FV of net assets of Sun = $1,000,000 + 200,000 = 1,200,000$

➔ Full goodwill = $1,625,000 - 1,200,000 = \underline{425,000}$

Instruction (2)

Full goodwill = $80\% \times \text{FV of Sun} - 80\% \times \text{FV of net assets of Sun}$

$80\% \times \text{FV of Sun} = 1,300,000$

$80\% \times \text{FV of net assets of Sun} = 1,200,000 \times 0.8 = 960,000$

➔ Partial goodwill = $1,300,000 - 960,000 = \underline{340,000}$

Instruction (3)

NCI under full goodwill

Beg. NCI = $1,300,000 \times 20\% \div 80\% = 325,000$

End. NCI = $325,000 + (400,000 - 100,000 - 200,000 \div 10 \text{ years}) \times 20\% = \underline{381,000}$

NCI under partial goodwill

Beg. NCI = $1,200,000 \times 20\% = 240,000$

End. NCI = $240,000 + (400,000 - 100,000 - 200,000 \div 10 \text{ years}) \times 20\% = \underline{296,000}$

[Q 10-2]

Case I

Accounts	Planet	Adj	Consolidated
Cash	231,000	+47,000 -150,000	\$128,000
Account Receivable	34,000	+9,000	43,000
Inventory	23,000	+15,000	38,000
Property, Plant & Equipment	179,000	+60,000	239,000
Intangible	0	3,000	3,000
Goodwill	0	+32,000	32,000
Total Assets	467,000		483,000
Account Payable	4,000	+2,000	6,000
Bond Payable	300,000	+14,000	314,000
Capital Stock	100,000	0	100,000
APIC	15,000	0	15,000
Retained Earnings	48,000	0	48,000
Total L&E	467,000		483,000

Case II

Accounts	Planet	Adj	Consolidated
Cash	231,000	+47,000 - 8,000	\$270,000
Account Receivable	34,000	+9,000	43,000
Inventory	23,000	+15,000	38,000
Property, Plant & Equipment	179,000	+60,000	239,000
Intangible	0	3,000	3,000
Goodwill	0	+32,000	32,000
Total Assets	467,000		625,000
Account Payable	4,000	+2,000	6,000
Bond Payable	300,000	+14,000	314,000
Capital Stock	100,000	+30,000	130,000
APIC	15,000	+120,000-3,000	132,000
Retained Earnings	48,000	-5,000	43,000
Total L&E	467,000		625,000

Case III

Accounts	Planet	Adj	Consolidated
Cash	231,000	+47,000	\$278,000
Account Receivable	34,000	+9,000	43,000
Inventory	23,000	+15,000	38,000
Property, Plant & Equipment	179,000	+60,000	239,000
Intangible	0	3,000	3,000
Goodwill	0	+32,000	32,000
Total Assets	467,000		633,000
Account Payable	4,000	+2,000	6,000
Bond Payable	300,000	+14,000	314,000
Contingent Liability	0	25,000	25,000
Capital Stock	100,000	+25,000	125,000
APIC	15,000	+100,000	115,000
Retained Earnings	48,000	0	48,000
Total L&E	467,000		633,000

Case VI

Accounts	Planet	Star	Adj	Consolidated
Cash	223,000	47,000		\$270,000
Account Receivable	34,000	9,000		43,000
Inventory	23,000	16,000	-1,000	38,000
Investment	120,000	0	-120,000	0
PPE	179,000	50,000	+10,000	239,000
Intangible	0	0	3,000	3,000
Goodwill	0	0	+32,000	32,000
Total Assets	579,000	122,000		625,000
Account Payable	4,000	2,000		6,000
Bond Payable	300,000	14,000		314,000
Capital Stock	124,000	50,000	-50,000	124,000
APIC	108,000	15,000	-15,000	108,000
Retained Earnings	43,000	41,000	-41,000	43,000
NCI	0	0	+30,000	30,000
Total L&E	579,000	122,000		625,000

[Q 10-3]

페이지 411의 Q 10-3은 풀지 마세요.

자료의 숫자오류가 생겨서 정산표의 여러 계정에 중복하여 오류가 반복되므로 수정하기가 어렵습니다.

본문의 종합예제와 유사한 문제이니 그냥 skip하기 바랍니다.

[Q 10-4]

Instruction (1)

Date	Account Name	Debit	Credit
1/1/Year 2	Investment	140,000	
	Cash		140,000

Instruction (2)

$$\text{FV of Star} = 140,000 + 140,000 \times 1/5 + 140,000 \times 4/5 = 280,000$$

$$\text{FV of net assets of Star} = 180,000 + 50,000 = 230,000$$

$$\text{Goodwill} = 280,000 - 230,000 = \underline{50,000}$$

Instruction (3)

$$\text{End. NCI} = 140,000 \times 4/5 + 60,000 \times 40\% = \underline{136,000}$$

[Q 10-5]

Instruction (1)

Date	Account Name	Debit	Credit
1/1/Year 2	Investment	140,000	
	Cash		140,000
	Investment	6,000	
	Gain		*6,000

$$* 140,000 \times 2/5 - (40,000 + 50,000 \times 20\%) = 6,000$$

Instruction (2)

$$\text{FV of Star} = 140,000 + 140,000 \times \frac{2}{5} + 140,000 \times \frac{3}{5} = 280,000$$

$$\text{FV of net assets of Star} = 180,000 + 50,000 = 230,000$$

$$\text{Goodwill} = 280,000 - 230,000 = \underline{50,000}$$

Instruction (3)

$$\text{End. NCI} = 140,000 \times \frac{3}{5} + 60,000 \times 30\% = \underline{102,000}$$

[Q 10-6]

Account Name	Debit	Credit
Equipment	15,000	
Deprecation expense	1,800	
Loss on sale		9,000
Accumulated depreciation		7,800

[Q 10-7]

Instruction (1)

$$\text{Gross profit of Gander} = \$400,000 \times 25\% = \underline{\$100,000}$$

$$\text{Gross profit of Mountain} = \$400,000 \times 80\% \times 20\% = \underline{\$64,000}$$

Instruction (2)

$$\text{Gross profit of consolidated I/S} = 100,000 + 64,000 - 100,000 \times 20\% = \underline{\$144,000}$$

[Q 10-8]

Accounts	Kippers	Gage	Adj	Consolidated
Cash	155,000	80,000		235,000
Other current assets	650,000	180,000		830,000
Marketable securities	180,000	50,000	+10,000	240,000
Investment	700,000	0	-700,000	0
PPE(net)	2,500,000	800,000	+150,000	3,450,000
Patents	240,000	60,000	+20,000	320,000
Goodwill	0	0	+43,778	43,778
Total Assets	4,425,000	1,170,000		5,118,778
Current liabilities	410,000	320,000		730,000
Bond Payable	1,000,000	300,000	-4,000	1,296,000
Common stock	320,000	25,000	-25,000	320,000
APIC	1,862,000	275,000	-275,000	1,862,000
Retained Earnings	833,000	250,000	-250,000	833,000
NCI	0	0	+77,778	77,778
Total L&E	4,425,000	1,170,000		5,118,778

FV of Gage = $700,000 + 700,000 \times 1/9 = 777,778$

FV of net assets of Gage = $550,000 + 10,000 + 4,000 + 150,000 + 20,000 = 734,000$

Goodwill = $777,778 - 734,000 = 43,778$

[Q 10-9]

Instruction (1)

Date	Account Name	Debit	Credit
1/2/20X1	Equity(S)	1,000,000	
	Land	100,000	
	Building	100,000	
	Goodwill	466,667	
	Investment		1,500,000
	NCI		166,667

Instruction (2)

Investment income = $(400,000 - 100,000/10) \times 0.9 = 351,000$

Δ Investment = $351,000 - 100,000 \times 0.9 = 261,000$

Date	Account Name	Debit	Credit
1-1	Investment income	351,000	
	NCI	10,000	
	Investment		261,000
	R/E(S)		100,000
1-2	Equity(S)	1,000,000	
	Land	100,000	
	Building	100,000	
	Goodwill	466,667	
	Investment		1,500,000
	NCI		166,667
1-3	Depreciation expense	10,000	
	AD-Building		10,000

Instruction (3)

Dividend income = $100,000 \times 0.9 = 90,000$

Date	Account Name	Debit	Credit
1-1	Investment income	90,000	
	NCI	10,000	
	Investment		0
	R/E(S)		100,000
1-2	Equity(S)	1,000,000	
	Land	100,000	
	Building	100,000	
	Goodwill	466,667	
	Investment		1,500,000
	NCI		166,667
1-3	Depreciation expense	10,000	
	AD-Building		10,000

Instruction (4)

NCI income = $(400,000 - 100,000/10) \times 0.1 = 39,000$

$\Delta \text{NCI} = 39,00 - 100,000 \times 0.1 = 29,000$

12/31 NCI = $166,667 + 29,000 = \underline{195,667}$