

## Tutorial 3

### LKAS 16: Property, plant and equipment

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#### Exercise 1

ABC PLC purchased a plant on 01.01.2018. The following information is relevant this plant.

	Rs.
Purchase price (Before trade discount)	850,000
Trade discount	5%
Transport cost	30,000
Ground preparation expenses	10,000
Installation fee	35,000
Annual insurance fee	32,500
Cost of test run	22,500
Net revenue from item produced in test run	4,500

**Required:** Cost of Plant as at 01.01.2018

#### Exercise 2

The following balances were extracted from XYZ PLC as at 31.03.2018.

	Cost (Rs.)	Accumulated Depreciation
Buildings	5,000,000	1,000,000
Plants and Machinery	4,500,000	1,500,000

These assets were revalued as follows

Buildings – Rs.4,400,000

Plant and machinery – Rs.2,400 000

**Required:** Prepare the necessary accounts to record the revelation and show statement of profit or loss and OCI and statement of financial position extracts.

#### Exercise 3

ABC PLC purchased a land for Rs.800,000 on 01.04.2014 and revalued it at first time on 31.03.2015 for Rs.950,000. The same land was revalued again on 31.03.2016 for Rs.1,150,000. The accounting year of the company ends on 31<sup>st</sup> March.

**Required:** Prepare the necessary accounts to record the revelation and show income statement and statement of financial position extracts.

#### **Exercise 4**

ABC PLC purchased a land for Rs.800,000 on 01.04.2016 and revalued it at first time on 31.03.2017 for Rs.700,000. The same land was revalued again on 31.03.2018 for Rs.550,000. The accounting year of the company ends on 31<sup>st</sup> March.

**Required:** Prepare the necessary accounts to record the revelation and show income statement and statement of financial position extracts.

#### **Exercise 5**

ABC PLC purchased a land for Rs.800,000 on 01.04.2016 and revalued it at first time on 31.03.2017 for Rs.950,000. The same land was revalued again on 31.03.2018 for Rs.750,000. The accounting year of the company ends on 31<sup>st</sup> March.

**Required:** Prepare the necessary accounts to record the revelation and show income statement and statement of financial position extracts.

#### **Exercise 6**

ABC PLC purchased a land for Rs.800,000 on 01.04.2016 and revalued it at first time on 31.03.2017 for Rs.700,000. The same land was revalued again on 31.03.2018 for Rs.900,000. The accounting year of the company ends on 31<sup>st</sup> March.

**Required:** Prepare the necessary accounts to record the revelation and show income statement and statement of financial position extracts.

#### **Exercise 7**

ABC Company PLC revalued its building at first time on 31.03.2015. Revalued amount of the building was Rs.1,305,000. This building was purchased on 01.04.2010 at Rs.1,200,000 million and depreciated over 20 years on straight line method.

The same building was revalued again on 31.03.2016 at Rs.1,050 000.

**Required:** (i) Write the necessary journal entries for the revaluations.  
(ii) Show extract of income statement and statement of financial position

#### **Exercise 8**

XYZ Company PLC revalued its plant and machinery at first time on 31.03.2015. Revalued amount of the plant and machinery was Rs.600,000. These plant and machineries were purchased on 01.04.2013 at Rs.1,200,000 and depreciated over 6 years on straight line method. The same building was revalued again on 31.03.2016 at Rs.500,000.

**Required:** (i) Write the necessary journal entries for the revaluations.  
(ii) Show extract of income statement and statement of financial position