

# INTERNATIONAL ACCOUNTING

## Exam 13.12.2011

2191 / 22E00400

time: 4h

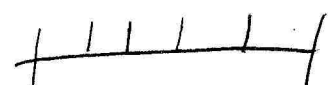
Equipment: English vocabulary, calculator

Examiner: Pontus Troberg

market (brand, market hands)  
know (customer lists, order books)  
technology (software)  
laws (patents)  
operating (contracts)  
trademark

intangible finite  
intangible infinite

All five questions are worth 20 points each – answer in English!



1. Both IFRS 3 and SFAS 141 (Business Combinations) provide five example categories of (possibly) acquired intangible assets (excluding goodwill) in a business acquisition. Which are these five categories and give examples of intangible assets belonging to these categories? How are these intangible assets accounted for after the time of acquisition?

2. At the inception on January 1, 2011 of an eight-year lease contract for a machine the lessee records a finance lease at € 680 000. The lessee is applying an implicit interest rate of 5%, straight-line depreciation (no salvage value), and is paying the lessor € 105 000 at the end of each year. What is the amount of all the lease related expenses that the lessee records for the year 2011 (the accounting period) and what is the lease obligation (liability) on December 31, 2011?

What is the fundamental IFRS accounting change that is suggested for lessee lease reporting in the new IFRS lease standard? All should be financial lease (no operating lease)

3. IFRS-standards and U.S. GAAP are largely similar to one another regarding accounting for financial instruments and derivatives. How should financial instruments including derivatives be classified and accounted for?

What change in the categorizing of financial instruments will take place when the new standard (IFRS 9) becomes mandatory (2015)? → business plan contractual / all fair value through profit/loss, No hedge?

4. a) What are typical causes of deferred tax assets? patents pension plans
- b) Define service cost and interest cost under defined benefit plans! score limited asset
- c) Under what circumstances does an auditor issue a disclaimer of opinion? Fair value, Net in operation
- d) How is investment property defined and accounted for (IAS 40)? Fair value, but value, real
- e) When should the equity method be applied for share investments and how does the method work (income statement, balance sheet)? 20-50% all invest in it what increase + IS project + decrease

5. a) Calculate both basic and diluted earnings per share (EPS) for the following case! Profit attributable to ordinary equity holders for the year 2010 was € 300 000. During 2010, the weighted average number of ordinary shares outstanding was 125 000 shares and the average market price of one ordinary share € 5.00. During 2010, the weighted number of shares under option was 25 000 shares and the exercise price for shares under option was € 3.75. Show calculations!

b) Parent Inc. acquired 80% of the shares in Confidentiality Inc. for € 2480. After allocating the purchase price to Confidentiality's tangible and intangible assets in accordance with these assets' fair values, € 800 of the purchase price of € 2480 was unallocated? At what amount would goodwill normally be stated according to IFRS and US GAAP (assuming no overprice payment)?