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On January 1, 20X2, P Company acquired an 80% interest in S company in exchange for \$400,000 in cash. The first two columns of the working paper below are derived from the books of P Company and S Company immediately subsequent to the acquisition.

The fair market value and book value of S Company's assets as of January 1, 20X2 are as follows.

	<u>Book value</u>	<u>Fair value</u>
Inventories	\$ 30,000	\$ 40,000
Buildings	\$ 200,000	\$ 250,000
Equipment	\$ 100,000	\$ 130,000
Machinery	\$ 150,000	\$ 170,000
Accumulated Depreciation	\$(150,000)	\$(200,000)
Other Assets	\$ 50,000	\$ 70,000

The fair value of the noncontrolling Interest was \$70,000 as of January 1, 20X2.