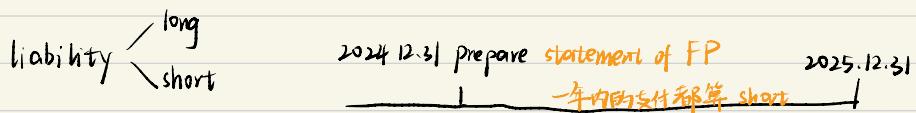
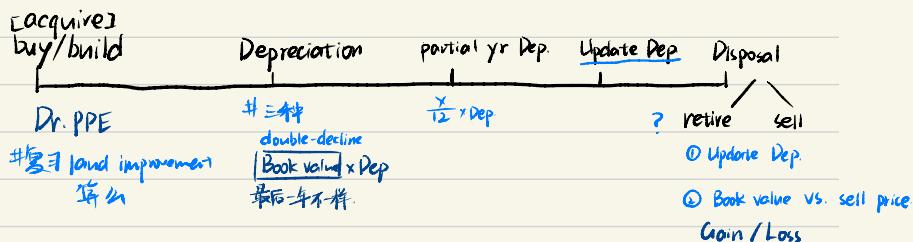


Ch 10 & Ch 11



Ch 9

plant asset



intangible asset

purchased → easily figure out

? Amortization Expense

Ch 10

? provision

Dr. W. liability
Cr. Inv / RP



Dr. Warranty Exp.

Cr. Inv / Retire Part

(Dr. W. Exp

Cr. Warranty Liabilities)

★ Ch 11

- Bonds Payable

$$\text{Cr. Cash / Interest payable} = \frac{\text{Stated rate} \times \text{Face amount}}{\text{② Interest payment}}$$

↑ (支付时间)

① Issue price
(> = <)

① Face amount

begin carrying value = Issue price

Interest payment — Interest expense

* ② Armotize? ① discount 左不进右出 [P76]

② premium

③ par

② Redeem \leftarrow maturity - face amount
before maturity

Market Price > carrying value \Rightarrow Loss.

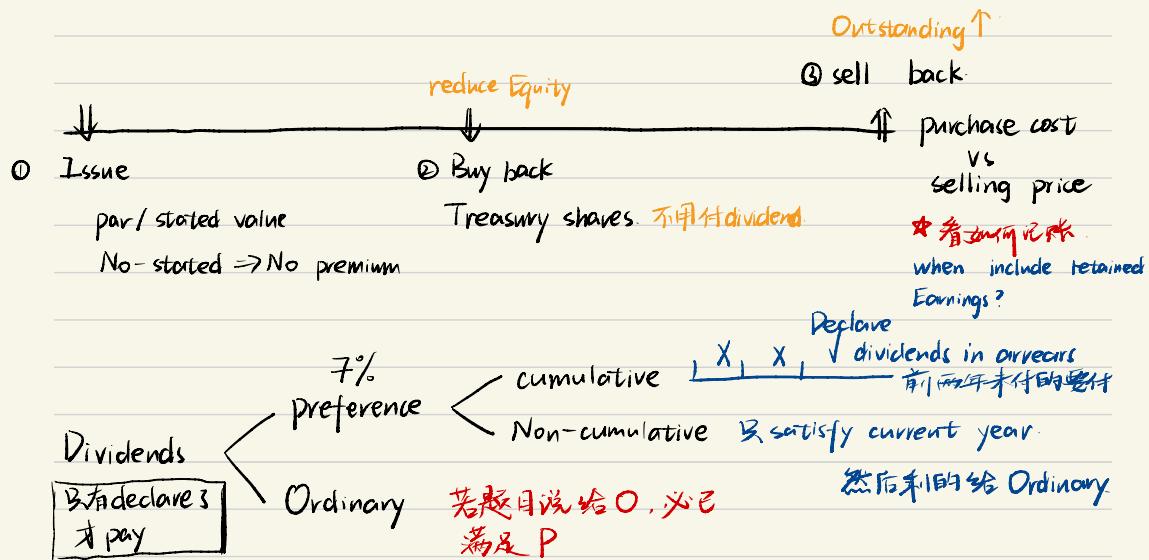
- Mortgage Payable

• market rate of return

? • Installment < P91 >

Interest
Principal

Ch 12



< P64 > ... distributable.

Share dividends.

Share split

Operating

Investing

Financing

$$\Delta \text{cash} = \text{Beg.} - \text{End.}$$

Indirect - start from Net income
Only for Operating

direct

Non-cash

有可能需要 additional info.
 $\textcircled{1} + \text{Dep. / Amortization}$

$\textcircled{2} \text{Gains/Losses on disposal}$

$\textcircled{3} \Delta \text{Current Asset (Non-cash)}$

$\Delta \text{Current Liabilities}$

Details!

Accounting ?

Firms

Financial Intermediaries ~~监管~~ Regulations

Household savings

天使投资人

保险公司

证券公司

分析师 审计师

regulators

Website
Annual Report

declare cash dividend
 * preference ordinary
 (satisfy first)

$$\textcircled{1} \quad 2300 \times 50 \times 6\% = 6900$$

Oriole Bakeries was organized on January 1, 2024. During its first year, the company issued 2,300 shares of HK\$50 par value preference shares and 140,000 shares of HK\$10 par value ordinary shares. At December 31, the company declared the following cash dividends: 2024, HK\$5,300; 2025, HK\$13,700; and 2026, HK\$29,900 (HK\$ in thousands).

Show the allocation of dividends to each class of shares, assuming the preference share dividend is 6% and non-cumulative. (Enter amounts in thousands.)

	2024	2025	2026
Allocation to preference shares	HK\$ $\textcircled{2}$ 5,300	HK\$ $\textcircled{1}$ 6,900	HK\$ $\textcircled{1}$ 6,900
Remainder to ordinary shares	HK\$ 0	HK\$ 6,800	HK\$ 23,000

$13700 - 6900$
 $29900 - 6900$

$$\textcircled{1} \quad 2300 \times 50 \times 7\% = 8050$$

Show the allocation of dividends to each class of shares, assuming the preference share dividend is 7% and cumulative. (Enter amounts in thousands.)

	2024 (declared)	2025	2026
Allocation to preference shares	HK\$ 5300	HK\$ $= 10800$	HK\$ 8050
Remainder to ordinary shares	HK\$ \textcircled{i}	HK\$ $13700 - 10800$ 2900	HK\$ $29900 - 8050$ 21850

Declare ~~the~~ cash dividend 先发给 preference, 有利的再给 Ordinary
 non-cumulative: 不用管去年是否付清

cumulative: 去年的今年一并付

易错点:

1. double-declining-balance method

假设 5 年 $\therefore \text{book value} \times 40\% = \text{Depreciation}$ 不要 $(\text{book value} - \text{residual}) \times 40\%$

2. cash flow 不能反映 cash sales revenue.

3. buy land by issuing ordinary shares:

4. 非年末售 plant asset, 记录这个月的 Dep. 数月份的数簿!

易错:

Share Premium | 在中间
Ordinary

Share Premium - Treasury Dr. 减少 Cr. 增加 (赚)
(卖出时有此项, 和买入时作比较) "Premium" 名称不要

Cn. Crain on Disposal of Plant Assets.

Dr. Interest Expense

Dr. Mortgage Payable

Cr. Cash

book value 折余金 下一年: $(288000 - *) \times 6\% = \text{Interest Exp.}$
288000 $\times 6\%$ (Issue)
通过计算得出*

39911

(Terms provide)

! 利息收入

Sales - R&A - D

↓
[Net Sales - COGS]

Net Income = Gross profit - Operating exp.
+ Other income and exp.

Declaration of cash dividends:

Dr. Cash Div. ~~勿写成~~ share dividends

Cr. Div. Payable

第十五章

计算公式总结

“Ratio”型

Current Ratio = Current Asset / Current Liabilities 296:1

Acid-test Ratio = [Cash + A.R + Short-term Investment] / CL

Price-earnings Ratio

Payout Ratio = [Cash Div. Declared on Ordinary shares] / Net Income

Debt to assets Ratio [Total Liabilities] / Total Assets

“Turnover”型 Credit

A.R. Turnover = [Net Sales] / Average A.R.

Inventory Turnover = [COGS] / Average Inventory

Asset Turnover = [Net Sales] / Average Asset

“Returned” “Earnings”型 Profit margin = $\frac{\text{Net Income}}{\text{Net Sales}}$

Return on Assets = [Net Income] / Average Assets

Return on ordinary shareholder's equity = $\frac{\text{Net Income} - \text{Pref. Div.}}{\text{Average Equity}}$

Earnings per share [Net Income - Pref. Div.] / Weighted Average Ordinary shares outstanding

Price-earnings Ratio [Market Price per share] / Earnings per share

Times Interest earned [Net Income + Interest Exp. + Income tax Exp.] / Int. Exp.

第十四章

Indirect Method

Statement of Cash Flows

Cash Flows from (Operating) Activities

Net Income

Net Cash Provided by Operating Activities

10x A.P.

① Operating Dep Exp. A.R. Inv A.P. 计算

书 value Loss on Disposal of Plant Asset +

Increase in Prepaid Expenses +

Decrease in Accrued Expenses Payable -

② Investing

Sale of Equipment + 950b

③ Financing

非常项目! Payment of Cash Dividend (上年 R.E + Net Income - 今年 R.E)

Redemption of Bonds ↘ Bonds Payable ↕ 40

Issuance of Ordinary Shares ↗ SC-O ↗ 40

备注: During the year, equipment was sold for 950b cash. (Originally cost 17640, had accumulated depreciation 8134 when sold)

Free cash flow = Net Cash Provided by Operating Activities - Expenditures on property and equipment - Dividend paid
e.g. Purchase of Equipment

Direct Method

Cash Flows from Operating Activities

Cash Receipts from Customers Sales Rev. - (Increase in A.R.)

Less: Cash Payment :

To Suppliers Purchases + (Decrease in A.P.)

For Operating Expenses. Operating Expenses + (Increase in Pre.Exp.)

+ Decrease in accrued expense payable - Dep.Exp.)

Net cash provided by Operating Activities

Cash payments to suppliers: COGS + Δ Inv. - AP \rightarrow prepaid exp. ~~for~~

for operating exp. Op.Exp. - Dep + prepaid Exp.

- Accrued exp payable.

prepare closing entry for net income 34000.

Dr. Income Summary 34000

Cr. Retained Earnings 34000

for cash dividend / share dividend :

Dr. Retained Earnings

Cr. XX Dividends.

第十二章

新学条目: Land Organization Expense

Share Capital Section:

Statement of Financial Position

Equity

SC-P	SP-T
SC-O	R.E.
SP-P	↓ Less: Treasury Shares
SP-O	
Total Equity	

Retained Earnings Statement

Balance, Jan. 1

Add: Net Income

Less:

Cash Dividend

Share Dividend

Balance, December 31

About Treasury Shares

1. Purchase Dr. T.S Cr. Cash

2. Sell ① 盈 Dr. Cash Cr. Treasury Shares Cr. Share Premium - Treasury

② 亏 Dr. Cash Dr. Share Premium - Treasury Cr. Treasury Shares

About Dividends

1. Cash Dividend I Declare: Dr. C.D Cr. D.P

II Pay: Dr. D.P. Cr. Cash

用于 Div. Exp. (盈余)

2. Share Dividend I Declare: Dr. Share Dividends $(225000 \times 0.1) \times 7 = 157500$ 元

Cr. Ordinary Share Dividends Distributable

Cr. Share Premium - Ordinary $(7-5) \times (\text{Div. } 157500)$

e.g. 10% share dividend $225000 \times 7 \text{ 元} / 10\% = 157500$ 元

II Issue: Dr. Ordinary Share Dividends Distributable

Cr. Share Capital - Ordinary

* Share 比最初多 3 10% \Rightarrow 影响 Share Capital 和 Cash Div.

e.g. Declare a 0.45 per share dividend
(注释: 断句, debt 非 = Share dividend)

第十一章 Non-Current Liabilities Bonds Payable

第十二章 Current Liabilities Notes Payable Interest Payable

Issue note in payment of account:

Dr. A.P. Cr. N.P.

Accrued Interest: (Recognize interest expense)

Dr. Interest Exp. Cr. Interest Payable.

Pays the accrued bond interest and calls at 105

① Dr. Interest Payable

Cr. Cash

② Dr. Bonds Payable

Dr. Loss on Bond Redemption

Cr. Cash.

Installment payment schedule

e.g. issue a \$464000, 7%, 10 year mortgage note on 12.31, 2024

annual installment payments, \$66063. $464000 \times 7\% = 32480$ $430417 \times 7\% = 30129$

	Cash Payment	Interest Expense	Reduction of Principal	Principal Balance
12.31	A	B	C	D
2024				
2025	66063	32480	33583	464000 - 33583
2026	..	30129	35934	<u>430417</u>
2027	..		(摊销)	394483
2028	..			

2024. 12.31 Dr. Cash Cr. Mortgage Payable

2025. 12.31 Dr. Interest Expense 32480

Dr. Mortgage Payable 33583

Cr. Cash

66063 (每年皆 66063)



Bond

Effective-interest method to amortize bond premium.

e.g. ① issue 440000, 7%, 20 yrs for 396800 2025-1-1 396800: Bond carrying value
2025-1-1 Dr. Cash Cr. BP

★ ② price result in an effective-interest rate 8% (第一年) 之后每年增加 直到BP=440k
记深颜色
 \Rightarrow 2025-12-31 Dr. Interest Exp. 396800 \times 8\% 31744 且增加量越来越多
Cr. Bonds Payable 算 944
Cr. Interest Payable $440000 \times 7\%$ 30800

③ payment of Interest

2026-1-1 Dr. Interest Payable
Cr. Cash

(First Year)

Interest to be paid: 30800 (Interest Payable) 每年都是 $440000 \times 7\%$

to be recorded: 31744 (Interest Expense) 第一年 $(396800 + 944) \times 8\%$

第九章 Plant Assets, Natural Resources, and Intangible Assets

Depreciation Method

I Straight-line

e.g. 用了三年, 寿命四年, Cost 97600, Residual Value 6000

$$[(97600 - 6000) \div 4] \times 3 = 68700$$

↑ 每年 Depreciation

II Declining-balance

e.g. 用了三年, 寿命五年, Cost 129000, Residual Value 12000

$$\frac{1}{5} = 20\% \quad \boxed{2} \cdot 20\% = 40\% \Rightarrow 129000 \times 40\% = 51600$$

$$(\text{Double-declining rate}) \quad (129000 - 51600) \times 40\% = 30960$$

$$(129000 - 51600 - 30960) \times 40\% = 18576$$

$$\therefore 51600 + 30960 + 18576 = 101136$$

III Units-of-Activity

e.g. 用了两年, 寿命四年, Cost 87200, Residual Value 8000, 一共可用 116000 Km

$$(87200 - 8000) \div 116000 = 0.7 / \text{km}$$

用了两年, 改成共七年寿命

$$(Cost - Residual - \cancel{\text{两年 Dep}}) \div (7-2)$$

用了五年, 改 Residual

$$(Cost - 五年 Dep - R_{新}) \div (7-5)$$

= 剩余年份每年的 Dep
(2)

Goodwill amortization

indefinite useful life \Rightarrow No entry

Patent amortization

Dr. Amortization Expense

Cr. Patents

Sale of equipment

I. Record Annual Depreciation

Dr. Depreciation Expense

Cr. Accumulated Depreciation - Equipment

II. Record Sale

Dr. Cash

Dr. Accumulated Depreciation - Equipment

前几年 + 今年

Cr. Equipment

转入行

Cr. Gain on Disposal of Plant Assets 计算

Retire equipment

Dr. A D-E Cr. E

Plant asset section of Crane's statement of financial position

Property, Plant, and Equipment

Land

Buildings

Less: Accumulated Depreciation - Buildings

Equipment

Less: Accumulated Depreciation - Equipment

Total Property, Plant, and Equipment

第八章 Accounting for Receivables

Write-offs of accounts receivable deemed uncollectible 91100

Dr. Allowance for Doubtful Accounts 91100

Cr. Accounts Receivable 91100

91100 转为事实

Fwd. Doubtful A.R. ↓

Recovery of bad debts previously written off as uncollectible 25800

Dr. Accounts Receivable 25800

Cr. Allowance for Doubtful Accounts 25800

Record bad debt expense (11700)

Dr. Bad Debt Expense

Cr. Allowance for Doubtful Accounts (已有 16700) 11700 - 16700 = 100300

Balance the Cr.

100300
↑

The company collects 4700 subsequently (previously been determined uncollectible) restore the account and record the cash collection.

I reverse write-off

Dr. Accounts Receivable 4700

Cr. Allowance for Doubtful Accounts 4700

II record collection of write-off

Dr. Cash 4700

Cr. Accounts Receivable 4700

Accrued interest on notes receivable

Dr. Interest Receivable

Cr. Interest Revenue

Record principal plus interest (2023.4.1 DS, 1年)

2024.4.1 Dr. Cash

Cr. Notes Receivable

Cr. Interest Receivable

2023.12.31 记时，清空

①

①+②=12个月(1年)的利息收入

Cr. Interest Revenue

2023年3月以来产生的 ②