Intra-group transaction journals

(Financial Reporting)

Subsidiaries

Profit on sale of goods

a. All inventory still on hand
Dr Sales
Cr Cogs
Cr Inventory (full amount of profit)

Dr DTA
Cr ITE

b. Only a portion still on hand
Dr Sales
Cr Cogs + Realised profit
Cr Inventory (Unrealised portion of profit)

Dr DTA
Cr ITE

c. All sold in subsequent year
Dr Retained Earnings – OB
Cr Cogs (Realised profit portion)
Dr ITE

Loss on sale of goods

a. All inventory on hand
Cr Sales
Dr Cogs
Dr Inventory (Unrealised portion of loss)

Dr ITE
Cr DTL

b. Only a portion still on hand
Cr Sales
Dr Cogs + Realised losses
Dr Inventory (Unrealised portion of losses)

Dr ITE
Cr DTL

c. Sold in subsequent year
Cr Retained Earning – OB
Dr Cogs (Realised profit portion)
Cr ITE

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Intra-group transaction journals

(Financial Reporting)

Profit on Sale of depreciable asset

a. Current year
Dr Gain
Cr Asset

Dr DTA
Cr ITE

Eliminate extra depreciation in current year
Dr Acc Dep
Cr Dep

Dr ITE
Cr DTA

b. Subsequent years
Dr Retained Earnings – OB
Cr Asset

Eliminate extra depreciation in current year
Dr Acc Dep
Cr Dep

Dr ITE
Dr DTA
Intra-group transaction journals

(Financial Reporting)

Loss on Sale of depreciable asset

a. Current year
Dr Asset
Cr Loss

Dr ITE
Cr DTL

Add extra depreciation in current year
Dr Dep
Cr Acc Dep

Dr DTL
Cr ITE

b. Subsequent year

Dr Asset
Cr Retained Earnings – OB

Dr Retained Earnings – OB
Cr DTL

Add prior year extra depreciation
Dr Retained Earnings – OB
Cr Acc Dep

Dr DTL
Cr Retained Earnings – OB

Add extra depreciation in current year
Dr Dep
Cr Acc Dep

Dr DTL
Cr ITE
Intra-group transaction journals
(Financial Reporting)

Associates

a) Dividends
Dr Dividend revenue
Cr Investment in associate (Total * % share)

b) Post-acquisition reserve (OCI) changes including changes such as FV of various assets.
Dr Investment in associate
Cr Share of OCI (Total * % share)

c) Share of current profits
Dr Share of profit or loss of associates (Total * % share)
Cr Investment in associate

d) Share of losses
Dr Share of profit or loss of associates (Total * % share)
Cr Investment in associate

e) Elimination of transactions between associate and investor
Sold from Investor to Associate or from Associate to Investor with unrealised components
Dr Share of profit or loss of associates (Total * % share net of tax)
Cr Investment in associate

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