## Solution of Task 3 <br> Implementation of net assets method

## Presumptions

- 10\% of receivables uncollectible
-20
- $5 \%$ of inventory is completely useless and can be sold only as scrap for $10 \%$ of the book value
-50 $5 \quad-45$
- According to the appraisers, value of the land and buildings is 2,500
- According to the appraisers, value of the equipment is $\mathbf{1 , 6 0 0}$
- According to the appraisal, value of investment in the dependant company is 450
- Net proft of the company is

600
redundant information

- Appraised goodwill is 200

| Balance sheet |  |  | Appraised |
| :---: | :---: | :---: | :---: |
|  | Dec. 31, 19XX | Corrections | Dec. 31, 19XX |
| Assets |  |  |  |
| Cash and equivalents | 375 |  | 375 |
| Receivables | 200 | -20 | 180 |
| Inventory | 1.000 | -45 | 955 |
| Total working capital | 1.575 | -65 | 1.510 |
| Land and buildings | 1.900 | 600 | 2.500 |
| Equipment | 1.800 | -200 | 1.600 |
| Total fixed assets | 3.700 | 400 | 4.100 |
| Investment in ABC | 300 | 150 | 450 |
| Goodwill |  | 200 | 200 |
| Total Assets | 5.575 | 685 | 6.260 |
| Liabilities + equity |  |  |  |
| Total liabilities | 3.000 |  | 3.000 |
| Equity | 2.575 | 685 | 3.260 |
| Total liabilities+equity | 5.575 | 685 | 6.260 |

