## Solution of Task 3 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 -45** 

♦ According to the appraisers, value of the land and buildings is 2,500

♦ According to the appraisers, value of the equipment is **1,600** 

♦ According to the appraisal, value of investment in the dependant company is 450

 Net proft of the company is redundant information 600

◆ Appraised goodwill is

200

Balance sheet	Date		Appraised value on
		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