

**Purchase Accounting - 80% owned, subsequent to acquisition**

*Balance Sheet Only  
Prepared 4/11/2011*

Adjustments and  
Eliminations

	X Company	Y Company		Debit		Credit	Non- controlling Interest	Consolidated Balances
Cash	48,600	7,500	a	2,000				58,100
Accounts receivable	42,400	6,500			a	2,000		40,900
					b	6,000		
Inventories	56,000	10,900	h	4,100	c	5,500		61,400
					g	4,100		
Equipment	242,000	69,000	g	15,000	d	1,000		325,000
Less: Accum. Depr	(36,400)	(19,500)			d	2,200		(65,100)
					g	5,000		
					h	2,000		
Investment in stock of Y Company	125,520				f	125,520		0
Invest. in bonds of X Company		56,000			e	56,000		0
Patents		18,000	g	5,000	h	500		22,500
differential			f	26,160	g	26,160		0
GOODWILL			g	21,800				21,800
<b>Total assets</b>	<b>478,120</b>	<b>148,400</b>						<b>464,600</b>
Accounts payable	9,800	24,200	b	6,000				28,000
Bonds payable	150,000		e	75,000				75,000
Capital stock	148,000	50,000	f	40,000			10,000	148,000
Additional paid-in capital	87,000	15,000	f	12,000			3,000	87,000
Retained earnings	83,320	59,200	f	47,360	e	19,000	11,340	95,720
			c	5,500	h	1,600		
			d	3,200				
Adj. of NCI to fair value					g	6,540	6,540	
Non-controlling interest							30,880	30,880
<b>Total liabilities and equities</b>	<b>478,120</b>	<b>148,400</b>		<b>263,120</b>		<b>263,120</b>		<b>464,600</b>