

Accounting 402
Exercise on Price Level Adjustments

Johnson Company acquired a parcel of land at the beginning of 20X1 for \$100,000 when the general price-level index was 100. Johnson has held this land for 5 years. The price indices at the end of each of the five years were as follows:

20X1	105
20X2	108
20X3	110
20X4	112
20X5	115

Answer the following questions about the reporting of the land in Johnson's financial statements.

1. In the 12/31/X4 HC/ND balance sheet for Johnson, what dollar amount should appear for the parcel of land ?
2. In the 12/31/X4 HC/CD balance sheet for Johnson, what dollar amount should appear for the parcel of land ?
3. In the 12/31/X5 HC/ND balance sheet for Johnson, what dollar amount should appear for the parcel of land ?
4. In the 12/31/X5 HC/CD balance sheet for Johnson, what dollar amount should appear for the parcel of land ?
5. In a 12/31/X5 HC/ND comparative balance sheet for Johnson, what dollar amount should appear for the parcel of land for 12/31/X5 and 12/31/X4?
6. In a 12/31/X5 HC/CD comparative balance sheet for Johnson, what dollar amount should appear for the parcel of land for 12/31/X5 and 12/31/X4?
7. In a 12/31/X4 HC/CD comparative balance sheet for Johnson, what dollar amount should appear for the parcel of land for 12/31/X4 and 12/31/X3?