

**TIF Problem Ten - 6 (Page 89)****Foreign Currency Financial Statements - Complex**

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The Accumulated Other Comprehensive Income in Part B of the required should be for 2006, not 2007.

**Required:**

- A. ...
- B. Assume that the Cuckoo Company is classified as a self-sustaining foreign operation. You have been provided with the information that the correct December 31, 2006 balance in the Accumulated Other Comprehensive Income account is a credit of \$271,000.

**TIF Solution Ten - 6 (Page S-98)**

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The Self-Sustaining Foreign Operation Shareholders' Equity should have a common stock of \$1,600,000 (not \$2,000,000) resulting in a total of \$2,940,000. The total 2007 Dividends are correct, but the calculation is incorrect.

**Part B(iv) - Statement Of Changes In Shareholders' Equity** Using the translation procedures required for self-sustaining foreign operations, the Cuckoo Company's Statement Of Changes In Shareholders' Equity would be as follows:

**Cuckoo Company (Self-Sustaining Foreign Operation)  
Statement Of Changes In Shareholders' Equity  
For The Year Ending December 31, 2007**

No Par Common Stock - December 31, 2007		<b>\$1,600,000</b>
Accumulated Other Comprehensive		
Income (Loss) - December 31, 2006	\$ 271,000	
2007 Other Comprehensive Income (Loss)	<u>226,400</u>	497,400
Retained Earnings - December 31, 2006	\$ 559,000	
2007 Net Income	357,200	
2007 Dividends ( <b>SF80,000 @ \$.92</b> )	( 73,600)	842,600
Shareholders' Equity - December 31, 2007		<b><u>\$2,940,000</u></b>