**EXERCISE 4 – REVALUATION MODEL5 POINTS**

Beta Company operates in the Publishing Industry. It prepares the financial statements according to IAS/IFRS.

The following data relate to one of the buildings owned by Beta Company, accounted according to the revaluation model:

* + the building is purchased on January 1, 2014 and is immediately used by the Beta Company.
  + the historical cost of the building is 1.000.000 €.
  + the expected useful life of the building is 10 years.
  + the fair value of the building on January 1, 2015 is 720.000.
  + the fair value of the building on January 1, 2017 is 700.000.

**Required:**

Indicate in the following table the value of each of the items reported on the columns on each of the dates reported on the rows.

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | **Carrying amount of the building**  **(balance sheet)** | **Depreciation expense**  **(income statement)** | **Revaluation gain**  **(income statement)** | **Devaluation loss**  **(income statement)** | **Revaluation surplus (balance sheet)** |
| 31-Dec-14 | 900.000 | 100.000 |  |  |  |
| 31-Dec-15 | 640.000 | 80.000 |  | 180.000 |  |
| 31-Dec-16 | 560.000 | 80.000 |  |  |  |
| 31-Dec-17 | 600,000 | 100,000 | 140.000 |  |  |