**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 |  |   |