**EXERCISE – CONTRACT WORK-IN-PROGRESS**

On July 1st, 2013, SING Ltd. negotiated a construction contract to build a new private pleasure craft, for an amount of 24.000.

The estimated time to completion was three years.

The following table provides the information the company used to account for the contract.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **DESCRIPTION** | **2013** | **2014** | **2015** | **2016** |
| Costs estimated to completion at the beginning of the period | 20.000 | 16.850 | 11.000 | 4.900 |
| Invoicing (progress billings) during the financial period | 3.000 | 5.000 | 6.000 | 10.000 |

Using the data provided, and assuming that the percentage of completion is determined on the basis of the costs incurred, complete the table below with the correct values:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **DESCRIPTION** | **2013** | **2014** | **2015** | **2016** |
| Costs incurred during the financial period | 3.150 | 5.850 | 6.100 | 4.900 |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **2013** | **2014** | **2015** | **2016** |
| **Percentage of completion** | 15,75% | 29,25% | 30,5% | 24,5% |
| Contract work-in-progress | 3.780 | 10800 | 18120 | 0 |
| Net asset or (Net liability)  =  WIP - Progress billings  (accumulated) | 780 | 2.800 | 4.120 | 0 |
| Attributable profit or (Foreseeable loss) | 630 | 1.170 | 1.220 | 980 |
|  |  |  |  |  |
|  | 4,000 | 4,000 | 4,000 | 4,000 |
|  | x | x | x | x |
|  | 15,75% | 29,25% | 30,5% | 24,5% |

Total profit of the contract 4,000 (contract revenues 24,000 - contract expenses 20,000)