

Levels of Investments in Equity Securities	Cash Dividends Received	Adjust to Fair Market Value or leave at Cost	Percentage of Profit or Loss	Disposition/ Sale of Investment
Assume your original investment is \$200,000 on Jan. 1, 2007 and what if your ownership percentage is:	you received \$5,000 in dividends during 2007. (DIV)	the value of your shares went up to \$206,000 as of Dec. 31, 2007 based on the Wall St. Journal. (WSJ)	your share of the profit was \$10,000. Based on the EPS info in investment's Dec. 31, 2007 financials. (EPS) Both companies are on a calendar yearend.	you sold your investment for \$25,000 more than your original investment on February 29, 2008.
Trading Securities Usually Current Asset Short-term profit motive for excess cash Ownership less than 20%	DR \$5,000 Cash; CR \$5,000 Dividend Revenue	DR \$6,000 Market Adjust- ment - Trading Securities; CR \$6,000 Unrealized Gain on Trading Securities - Income	No Entry	DR \$225,000 Cash; CR \$200K Investment T.S. CR \$6,000 Mkt Adj. - T.S. CR \$19K Realized Gain on Sale of Investment
Available-for-Sale Securities Usually Long-Term Asset Longer term relationship is present or developing Ownership less than 20%	DR \$5,000 Cash; CR \$5,000 Dividend Revenue	DR \$6,000 Market Adjust- ment A-for-S Securities; CR \$6,000 Unrealized Increase/Decrease in Value A- for-S Securities-Equity	No Entry	DR \$225,000 Cash; DR \$6K Unrealized...Equity CR \$200K Invest. In A-for-S CR \$6K Mkt Adj.- A-for-S CR \$25K Realized Gain...
Equity Method Long-Term Asset Significant influence is held over the Board of Directors Ownership is 20 to 50%	DR \$5,000 Cash; CR \$5,000 Investment in Equity Method Securities	No Entry	DR \$10,000 Investment in Equity Method Securities; CR \$10,000 Revenue from Investments	DR \$225,000 Cash; CR \$205,000 Investmnt EMS CR \$20,000 Realized Gain on Sale of Investment
Consolidated Financials Balance Sheets and Income Statements combined with minority interests shown as liabilities Control over the Company Ownership is 50% or more	Transaction eliminated in consolidation.	No Entry	Revenue, Expenses and Net Income combined into Income Statement, less Minority Interest Income.	Not addressed.

This chart doesn't cover Debt Securities.

Portfolios of Trading and A-F-S Securities with more than one equity investment, see page 573 and the t-accounts on the next sheet.

Trading Securities			
Balance Sheet - Assets:			
Investment in Trading Securities			
1/1/07	200,000		
		200,000	2/29/08
2/29/08	-		
Market Adjustment - Trading Securities			
12/31/07	6,000		
		6,000	2/29/08
2/29/08	-		
Income Statement FYE 12/31/07:			
Dividend Revenue			
		5,000	12/31/07
Unrealized Gain/Loss on Trad. Sec.			
		6,000	12/31/07
Income Statement FYE 12/31/08:			
Realized Gain/Loss-Sale of Investments			
		19,000	2/29/08

If there are other Trading Securities in the Company's portfolio, then we wouldn't clear the prior yearend Market Adjustment until the next yearend for the remaining Trading Securities.

Income Statement FYE 12/31/08:			
Realized Gain/Loss-Sale of Investments			
		25,000	2/29/08

Available-for-Sale Securities			
Balance Sheet - Assets:			
Investment in A-F-S Securities			
1/1/07	200,000		
		200,000	2/29/08
2/29/08	-		
Market Adjustment - A-F-S Securities			
12/31/07	6,000		
		6,000	2/29/08
2/29/08	-		
Balance Sheet - Stockholders' Equity:			
Unrealized Gain/Loss on A-F-S Sec.			
		6,000	12/31/07
2/29/08	6,000		
		-	2/29/08
Income Statement FYE 12/31/07:			
Dividend Revenue			
		5,000	12/31/07
Income Statement FYE 12/31/08:			
Realized Gain/Loss-Sale of Investments			
		25,000	2/29/08

If there are other A-F-S Securities in the Company's portfolio, then we wouldn't clear the prior yearend Market Adjustment until the next yearend for the remaining A-F-S Securities.

Equity Method Securities			
Balance Sheet - Assets:			
Investment in Equity Method Securities			
1/1/07	200,000		
		5,000	12/31/07
12/31/07	10,000		
12/31/07	205,000		
		205,000	2/29/08
2/29/08	-		
Income Statement FYE 12/31/07:			
Revenue from Investments			
		10,000	12/31/07
Income Statement FYE 12/31/08:			
Realized Gain/Loss-Sale of Investments			
		20,000	2/29/08