**Solution4- Financial liability At Amortized cost**

**-At initial recognition :**bonds are recorded at issue price - issue expenses

**(**20000 X 100 $ )-100000= $ 1900000

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**At subsequent recognition :** we record interest paid, interest to be paid and principal to be paid at the end of the four years until the debt securities are extinguished

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**Finish the table**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **year** | **Amortized cost (BF)** | **Financial costs****4.58%** | **Coupon****2%** | **Amortized cost (CF)** |
| **1** | **1900000** | **87020** | **40000) )** | **1947000** |
| **2** | **1947020** | **89174** | **40000))** | **1996194** |
| **3** |  |  | **)** |  |
| **4** |  |  | **2260000** | **approximation 0** |