**IFRS 11 TUTORIAL**

**EX1-JOINT OPERATION**

Company (S) has a 40% stake in a joint venture operation consisting of a natural gas station equivalent to $9 million. The cost of the station was $18 million and it was completed in January 2015. Its estimated productive life is 10 years.

During 2015, the cost of extracted gas was $25 million and it was sold for $35 million. The operation incurred additional operating costs of $2 million. The percentage of assets, liabilities, profits and losses in the operation was according to the percentage of shares.

**Required** - Record the operations in the journal of Company (S)

**EX 2- Joint Operation**

Company (S) and (A) agreed to enter into a joint venture to manufacture a certain type of machine and sell it in the market, provided that S manufactures the machine's engine, while Company A develops the machine's body. It was agreed to determine the selling price of the machine by adding 40% to the cost amount. Upon completion of manufacturing the machine's components, the cost of manufacturing the machine's engine at Company S amounted to 600,000 dinars, while the cost of manufacturing the machine's body at Company A amounted to 700,000 dinars.

**Required**: Explain the accounting treatment in the books of each of the two companies according to IFRS11.

**EX 3 - Joint Venture**

On 1/1/2022 - Companies A and B agreed to establish Company C as a jointly controlled company.With a capital of 300,000 dinars, Company A's share is 60% and Company B's share is 40%, with both companies having equal representation on the Board of Directors of Company C.

During 2022, Company C, which is under joint control, achieved a net profit of 50,000 dinars. The separate financial position statement of the three companies on 12/31/2022 appeared as follows before processing the investment in Company C in the books of both Company A and Company B:

**Statement of Financial Position as of 12/31/2022**

|  |  |  |  |
| --- | --- | --- | --- |
|  | **A** | **B** | **C** |
| Cash on hand and at banks | **40000** | **50000** | **180000** |
| Investment in joint venture (c) | **180000** | **120000** | **-** |
| Other assets | **180000** | **190000** | **320000** |
| Total assets | **400000** | **300000** | **500000** |
| Accounts payable and other liabilities | **150000** | **100000** | **110000** |
| Capital | **140000** | **120000** | **300000** |
| Retained earnings | **110000** | **80000** | **90000** |
| Total liabilities and equity | **400000** | **300000** | **500000** |

**Required:**

**1-** Record the investment in the jointly controlled company C in the books of company A on 1 jan,2022.

**2-** Statement of the accounting treatment of the investment in the jointly controlled company C in the books of company A on 31dec , 2022 in accordance with the requirements