

EXHIBIT 3
Illustrative Worksheet Entries

Account	SFAS 141		SFAS 141(R)	
	Debit	Credit	Debit	Credit
1. Retained earnings—subsidiary	\$100,000		\$100,000	
Common stock—subsidiary	\$700,000		\$700,000	
Investment in subsidiary		\$640,000		\$640,000
Noncontrolling interest		\$160,000		\$160,000
2. Nondepreciable assets	\$56,000		\$70,000	
Depreciable assets	\$160,000		\$200,000	
Goodwill	\$94,000		\$117,500	
Investment in subsidiary		\$310,000		\$310,000
Noncontrolling interest		n/a		\$77,500
3. Depreciation expense—subsidiary	\$16,000 ¹		\$20,000 ²	
Accumulated depreciation		\$16,000		\$20,000
4. Net income—subsidiary	\$64,000 ³		\$60,000 ⁴	
Investment in subsidiary		\$48,000 ⁵		\$48,000
Noncontrolling interest		\$16,000 ⁶		\$12,000 ⁷
5. Investment in subsidiary	\$8,000		\$8,000	
Noncontrolling interest	\$2,000		\$2,000	
Dividends—subsidiary		\$10,000		\$10,000

1 \$160,000/10 years

2 \$200,000/10 years

3 \$80,000 – \$16,000

4 \$80,000 – \$20,000

5 \$80,000 x 80% = \$64,000 – \$16,000 depreciation

6 \$80,000 x 20%

7 \$60,000 x 20%