



**WORKBOOK (SEPTEMBER 2022 EDITION)**

**MAY 2023**

**Page 19: Solution to Activity 1 in Chapter 1**

The correct answer is: The depreciation charge was higher due to a change in accounting policy.

**Page 161: Solution to Activity 3 in Chapter 7**

In the first section on Volume the number \$2,000 should be \$2,000,000; there is no impact on the rest of the solution.

**Page 206: Solution to Activity 3 part c in Chapter 9**

In the first line of the solution to part (c) the number \$1.60 should be \$1.64. There is no impact on the rest of the solution.

**Page 345: Section 3.1 in Chapter 15**

The first line before the table should read as: ... whatever happens to the interest rate.

**Page 421: Section 2.1 in Chapter 8 essential reading**

Above the requirement to Activity 5, Project C's cash flows should be given as (30,000) in Year 0 AND Year 1, 30,000 in Year 2, 40,000 in Year 3 and 10,000 in Year 4.

**Page 487: Qu 35 of the further question practice**

In the question the number \$2.15m (just above the requirement) should be \$215m

**Page 515: Solution to Question 19 of the further question practice**

The correct answer is: \$18,426.

$$(20,000 - 6,000 + 7,500) \times 0.857 = \$18,426$$

As tax is paid in the following year the year 1 capital allowance is received in year 2.

**Page 521: Solution to Question 35 part b of the further question practice**

The figure \$10m in the 4<sup>th</sup> line should be \$10.5m (the answer is unaffected)

**Page 522: Solution to Question 36d of the further question practice**

The correct answer is: total net assets / number of shares.

**Page 535: Solution to Question 43b of the further question practice**

The correct answer for Project A is:

	A	B	C	D	E	F
1	<b>Project A</b>	<b>time 0</b>	<b>time 1</b>	<b>time 2</b>	<b>time 3</b>	<b>time 4</b>
2	NCF	-29	8	10	12	11
3	IRR	14.51%				