



## **Chapter 5: Consolidated Financial Statements and Intercompany Profits**

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1. Intercompany Profits on Residual Assets
2. Amortization of Intercompany Profits on Ending Assets
3. Recognition of Intercompany Profits on Beginning Assets
4. Impact of Sale of Assets – Downstream & Upstream in Profit Calculation



## **Chapter 5: Consolidated Financial Statements and Intercompany Profits**

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5. Loss on Sale of Assets between Companies

6. Intercompany Profits from Land, Buildings, and Equipment

6.1 Sale of Land between Companies

- Downstream
- Upstream



## **Chapter 5: Consolidated Financial Statements and Intercompany Profits**

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### **6. Intercompany Profits from Land, Buildings, and Equipment (continued)**

#### **6.2 Sale of Buildings and Equipment between Companies**

- Downstream**
- Upstream**



## **Chapter 5: Consolidated Financial Statements and Intercompany Profits**

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- 7. Loss on Sale of Buildings and Equipment between Companies
- 8. Purchase of Assets between Companies for Use as Assets