

Difference in Goodwill under Partial Method and Full Method

1. Under the Partial method, the NCI on acquisition is equal to a proportionate share in recognized amounts of the acquirees net assets.
2. Goodwill under the full method is split between the parent and the NCI whereas under the partial method relates to the NCI only.

Determining Revenue Recognition Policy (study aid 3-1)

Revenue recognition needs to be applied separately to each component (IAS 18 para 13).

1. *Rendering of Services*: Revenue should be recognized as work is performed depending on the stage of completion of each phase and the providers entitlement under contract to be paid (IAS 18 para 20).

IF revenue cannot be estimated reliably, then it must only be recognized to the extent of recoverable expenses incurred.
2. *Deferred Services*: The provider must identify the amount to be deferred and only recognize revenue as services are provided. The amount deferred should cover the cost of services under the contract and include a reasonable profit on these services (IAS 18 para 13)
3. *Deferred Sales*: Revenue from sales will be recognized when the provider has satisfied all the conditions for revenue recognition of the sale of goods (IAS 18 para 14).

IF any guarantee has been provided, it may be necessary to defer recognition until the guarantee period has ended.