

# Assigning Cost in a Lump Sum Purchase

TPI purchased a factory for lump-sum of \$500,000 plus \$5,000 in closing costs paid via bank. The fair value of each of component of the purchase is given below:

Land	44,000
Building	32,000
Equipment	324,000

Complete the table below to determine the amounts to be recorded in the journal for each of the three plant assets.

Plant Assets	Appraised Value	% of Value	Purchase Price	Apportioned Cost
Land				
Building				
Equipment				
Total				

How would the following be entered in the journal?