ERRATA

ACCOUNTING FOR CHANGING MONEY VALUE

— Formularization of GPL Adjustment for General Ledger Entries and that of Earned Surplus Adjustment —

by Bunji NAKAI

Please note the following corrections in the October 1992 issue of this Review:

P.5 line 30: read "each item year" as "each year"

P.10 GPLA restated P/L (Progressive adjustment) should be:

<table>
<thead>
<tr>
<th>Cost of sales</th>
<th>Revenue</th>
<th>Profit on money value change</th>
</tr>
</thead>
<tbody>
<tr>
<td>( T_a ) + ( \alpha_n ) + ( \sum_{i=0}^{n-1} U_k )</td>
<td>( V_{a+} + V_{a-} (\alpha_k - 1) ) + ( V_{a-} (\alpha_{k-1}) )</td>
<td></td>
</tr>
<tr>
<td>+ ( \sum_{i=n+1}^{l-1} U_{k+}(\alpha_k - 1) )</td>
<td></td>
<td></td>
</tr>
<tr>
<td>+ ( \sum_{k=n+1}^{l-1} U_{k-}(\alpha_k - 1) )</td>
<td>( C_{a+} (\alpha_{n-1}) + C_{a-} (\alpha_{t-1}) )</td>
<td></td>
</tr>
</tbody>
</table>

Depreciation

\( B_{a+} + (F_{a+} \cdot \alpha_n - F_{a-})h_t \)
\( + F_{a+} (\alpha_n - 1)h_t \)
\( + F_{a-} (\alpha_{n+1})h_t \)

Other expenses

\( W_{a+} + W_{a+} (\alpha_n - 1) \)
\( + W_{a-} (\alpha_{n+1}) \)

Loss on money value change

\( D_{a+} (\alpha_n - 1) \)
\( + D_{a-} (\alpha_{n+1}) \)

Net income

\( \bar{P} \)
P.14 Accumulated depreciation in B/S at the end of the year (retrospective adjustment) should be

\[ B'_{n0} + \sum_{k=n+1}^{i-1} U_i - \sum_{k=n+1}^{i-1} U_i \beta_{1+k} - \sum_{k=n+1}^{i-1} U_i \beta_{i+k} \]

P.15 P/L (retrospective adjustment) should be:

<table>
<thead>
<tr>
<th>Cost of sales</th>
<th>Revenue</th>
<th>Purchasing power profit</th>
</tr>
</thead>
<tbody>
<tr>
<td>[ I'<em>{n0} + \sum</em>{k=n+1}^{i-1} U_i - \sum_{k=n+1}^{i-1} U_i \beta_{1+k} - \sum_{k=n+1}^{i-1} U_i \beta_{i+k} ]</td>
<td>[ V_{t-1} \beta_{1+k} - V_{t-1} \beta_{i+k} ]</td>
<td>[ C_{n0} \beta_{1+k} + C_{n} \beta_{n} ]</td>
</tr>
</tbody>
</table>

Depreciation

\[ F'_{n1} + F_{n1} \beta_{1+k} - F_{n1} \beta_{i+k} \]

Other expenses \[ W_{t-1} \beta_{1+k} - W_{t-1} \beta_{i+k} \]

Purchasing power loss \[ D_{n0} \beta_{1+k} + D_{n} \beta_{n} \]

Net income for the current year \[ P' \]

P.15 line 17 should read \[ P' = P + \sum_{k=n+1}^{i-1} U_i \beta_{1+k} + \sum_{k=n+1}^{i-1} U_i \beta_{i+k} + (F'_{n0} - F'_{n1}) \beta_{1+k} \]

P.16 line 1: read \( Y' \) as \( Y \)

P.20 line 3 add “year” after “Dec. 0”

line 6: read “with drawn” as “withdrawn”

line 15: read “900” as “90”

P.21 line 15: delete “money value”

line 34: in equation 7b, read “\( D_{n0} \)” as “\( D_{n} \)”

P.23 line 15: read “hand, in” as “hand, is”

P.24 line 29: read \( X_{i}^{j} \) as \( N_{i}^{j} \)

line 31: read \( X_{i}^{j} \) as \( N_{i}^{j} \)

line 32: read \( N_{i}^{j} X_{i}^{j} \) as \( N_{i}^{j} X_{i}^{j} \)

P.25 line 9: read \( P_{t} \) as \( P \)

P.26 line 1: read “new by” as “new company by”
P.26 line 3: read "B/S at the end of" as "P/L for the"

P.27 line 5: read "formula (III)" as "formula III(3)"

line 6: equation III(3)': read "$V_i^n - W_i^n" as "$v_i^n - w_i^n"

line 8: equation III(5) should be $\sum_{i=1}^{n} P_i - \sum_{i=1}^{n} P_i = \sum_{i=1}^{n} (V_i^n - W_i^n) + \sum_{i=1}^{n} (H_i^n - M_i^n) - \sum_{i=1}^{n} (V_i^n - W_i^n)"

line 9: in equation III(5)': read "$v_i^n - u_i^n" as "$v_i^n - w_i^n"

line 12: read "if uniform" as "if shown in uniform"

line 14: read "adjustment, to" as "adjustment to"

line 22: read "that net income converted at GPL value" as "that nominal net income converted at uniform GPL"

P.28 line 6: read "and the following in" as "and for GPLA, by substituting the following for"

line 7: read "$A_i^{-1}" as "$A_i^{1-1}"

line 23: read "$K_{i+1}" as "$K_{i-1}"

line 28: read "Following the GPLA exercise" as "3. Following the GPLA exercise for life time net income"

P.29 line 10: read "purplus" as "surplus"

P.30 line 10: read "ineventably" as "inevitably"

line 21: read "became equals" as "become equal"

P.31 The last two paragraphs at page 31 should be inserted between the line 29 and 30 at page 30.