

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 :

Cost of sales	$\begin{aligned} & \overline{I}_{m0} \cdot \alpha_m + \sum_{k=m+1}^{l-1} U_k \\ & + \sum_{k=m+1}^{l-1} \{U_k + (\alpha_k - 1)\} \\ & + \sum_{k=m+1}^{l-1} \{U_k - (\alpha_{k+1} - 1)\} \end{aligned}$	Revenue	$\begin{aligned} & V_{nk} + V_{nk}(\alpha_k - 1) \\ & + V_{nk} - (\alpha_{k+1} - 1) \end{aligned}$
		Profit on money value change	$C_{m0}(\alpha_m - 1) + C_{nk}(\alpha_k - 1)$
Depreciation	$\begin{aligned} & B_{nk} + (\overline{F}_{m0} \cdot \alpha_m - F_{m0})h_k \\ & + F_{nk}(\alpha_k - 1)h_k \\ & + F_{nk} - (\alpha_{k+1} - 1)h_k \end{aligned}$		
Other expenses	$\begin{aligned} & W_{nk} + W_{nk}(\alpha_k - 1) \\ & + W_{nk} - (\alpha_{k+1} - 1) \end{aligned}$		
Loss on money value change	$\begin{aligned} & D_{m0}(\alpha_m - 1) \\ & + D_{nk}(\alpha_k - 1) \end{aligned}$		
Net income	$\overline{P}$		

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

$$\overline{B'_{m0}} + \overline{F'_{m0}} h_k + F_{nk} + h_k - F_{nk} + \beta_k h_k - F_{nk} - \beta_k + h_k$$

P.15

P/L(retrospective adjustment) should be:

Cost of sales	Revenue	$V_{nk} - V_{nk} + \beta_k - V_{nk} - \beta_k +$
$\overline{I'_{m0}} + \sum_{k=m+1}^{l-1} U_k - \sum_{k=m+1}^{l-1} U_k + \beta_k - \sum_{k=m+1}^{l-1} U_k - \beta_k +$	Purchasing power profit	$C_{m0} \beta_{mn} + C_{nk} \beta_{kn}$
Depreciation		
$\overline{F'_{m0}} h_k + F_{nk} + h_k - F_{nk} + \beta_k h_k - F_{nk} - \beta_k + h_k$		
Other expenses	$W_{nk} - W_{nk} + \beta_k - W_{nk} - \beta_k +$	
Purchasing power loss	$D_{m0} \beta_{mn} + D_{nk} \beta_{kn}$	
Net income for the current year	$\overline{P'}$	

P.15 line 17 should read $\overline{P'} = P + [(I_{m0} - \overline{I'_{m0}}) + \sum_{k=m+1}^{l-1} U_k + \beta_k + \sum_{k=m+1}^{l-1} U_k - \beta_k] + \{(F_{m0} - \overline{F'_{m0}}) h_k$

P.16 line 1 : read $\overline{Y'}$ as $\overline{y'}$

P.20 line 3 add "year" after "Dec. 0"

line 6 : read "with darawn" as "withdrawn"

line 15 : read "900" as "90"

P.21 line 15 : delete "money value"

line 34 : in equation 7b, read " $\overline{D_{m0}}$ " as " D_{m0} "

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 $\overline{X_i^j}$ as $\overline{N_i^j}$

line 32 : read $\overline{N_i}, \overline{X_i}$ as $\overline{N_i^j}, \overline{X_i^j}$

P.25 line 9 : read P_i 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 $\sum_{i=1}^n \overline{P_i^n} - \sum_{i=1}^n P_i = \sum_{i=1}^n (\overline{V_i^n} - \overline{W_i^n}) + \sum_{i=1}^n (H_i^n - M_i^n) - \sum_{i=1}^n (V_i - W_i)$

line 9 : in equation III(5)' : read " $\overline{v_i^n} - \overline{w_i^n}$ " 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 " $\overline{A_{i-1}}$ " as " $\overline{A_{i-1}^i}$ "

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.