

Ex. 15–18 Concluded

- c. Unrealized Gain (Loss) on Available-for-Sale Investments is disclosed in the Stockholders' Equity section of the balance sheet, separately from the retained earnings or paid-in capital accounts.

Ex. 15–19

- a. 2009
Dec. 31

Valuation Allowance for Available-for-Sale Investments	1,300	
Unrealized Gain (Loss) on Available-for-Sale Investments.....		1,300
To record increase in fair value of available-for-sale investments, \$63,800 – \$62,500.		

- b. 2010
May 10

Available-for-Sale Investments—Nova Inc.	35,150*	
Cash		35,150

*(700 shares × \$50 per share) + \$150

- c. 2010
Dec. 31

Valuation Allowance for Available-for-Sale Investments	2,550*	
Unrealized Gain (Loss) on Available-for-Sale Investments.....		2,550
To record increase in fair value of available-for-sale investments.		

Valuation allowance for trading investments, January 1, 2010		\$1,300	Dr.
Available-for-sale investments at cost, December 31, 2010	\$ 97,650		
Available-for-sale investments at fair value, December 31, 2010	<u>101,500</u>		
Valuation allowance for available-for-sale investments, December 31, 2010		<u>3,850</u>	Dr.
*Adjustment		<u>\$2,550</u>	Dr.