Brisco Bricks purchases raw material from its foreign supplier, Bolivian Clay, on May 8. Payment of 2,000,000 foreign currency units (FC) is due in 30 days. May 31 is Brisco's fiscal year-end. The pertinent exchange rates were as follows:



Required:

(1) For what amount should Brisco's *Accounts Payable* be credited on May 8?

(2) How much *Foreign Exchange Gain or Loss* should Brisco record on May 31?

(3) How much US $ will it cost Brisco to finally pay the payable on June 7?

Westmore, Ltd. is a British subsidiary of a U.S. company. Westmore's *functional currency* is the pound sterling. The following exchange rates were in effect during 2004:



Required: (5 points each)

(1) Westmore reported sales of £1,500,000 during 2004. What amount, in U.S. dollars, would have been included for this subsidiary in calculating *consolidated sales*?

(2) On December 31, Westmore had accounts receivable of £280,000. What amount, in U.S. dollars, would have been included for this subsidiary in calculating *consolidated accounts receivable*?