James Company acquired 85 percent of Mark-Right Company on April 1. On its December 31, consolidated income statement, how should James account for Mark-Rights revenues and expenses that occurred before April 1.

1. Include 100 percent of Mark-Right’s revenues and expenses and deduct the pre-acquisition portion as non-controlling interest in net income.
2. Exclude 100 percent of the pre-acquisition revenues and 100 percent of the pre-acquisition expenses from their respective consolidated totals.
3. Exclude 15 percent of the pre-acquisition revenues and 15 percent of the pre-acquisition expenses from consolidated expenses.
4. Deduct 15 percent of the net combined revenues and expenses relating to the pre-acquisition period from consolidated net income.

On April 1, Pujols, Inc., exchanges $430,000 fair-value consideration for 70 percent of the outstanding stock of Ramirez Corporation. The remaining 30 percent of the outstanding shares continued to trade at a collective fair value of $165,000. Ramirez’ identifiable assets and liabilities each had book values that equaled their fair values on April 1 for a net total of $500,000. During the remainder of the year, Ramirez generates revenues of $600,000 and expenses of $360,000 and paid no dividends, On a December 31 consolidated balance sheet, what amount should be reported as non-controlling interest?

1. $219.000
2. 237,000
3. 234,000
4. 250,500