**15-7** – On December 31, 2011, Rollo Company held the following short-term investments in its portfolio of available-for-sale securities. Rollo had no short-term investments in its prior accounting periods. Prepare the December 31, 2011, adjusting entry to report these investments at fair value.

|  |  |  |
| --- | --- | --- |
|  | **Cost** | **Fair Value** |
| Vicks Corporation bonds payable | $79,600 | $90,600 |
| Pace Corporation notes payable | 60,600 | 52,900 |
| Lake Lugano Company common stock | 85,500 | 82,100 |