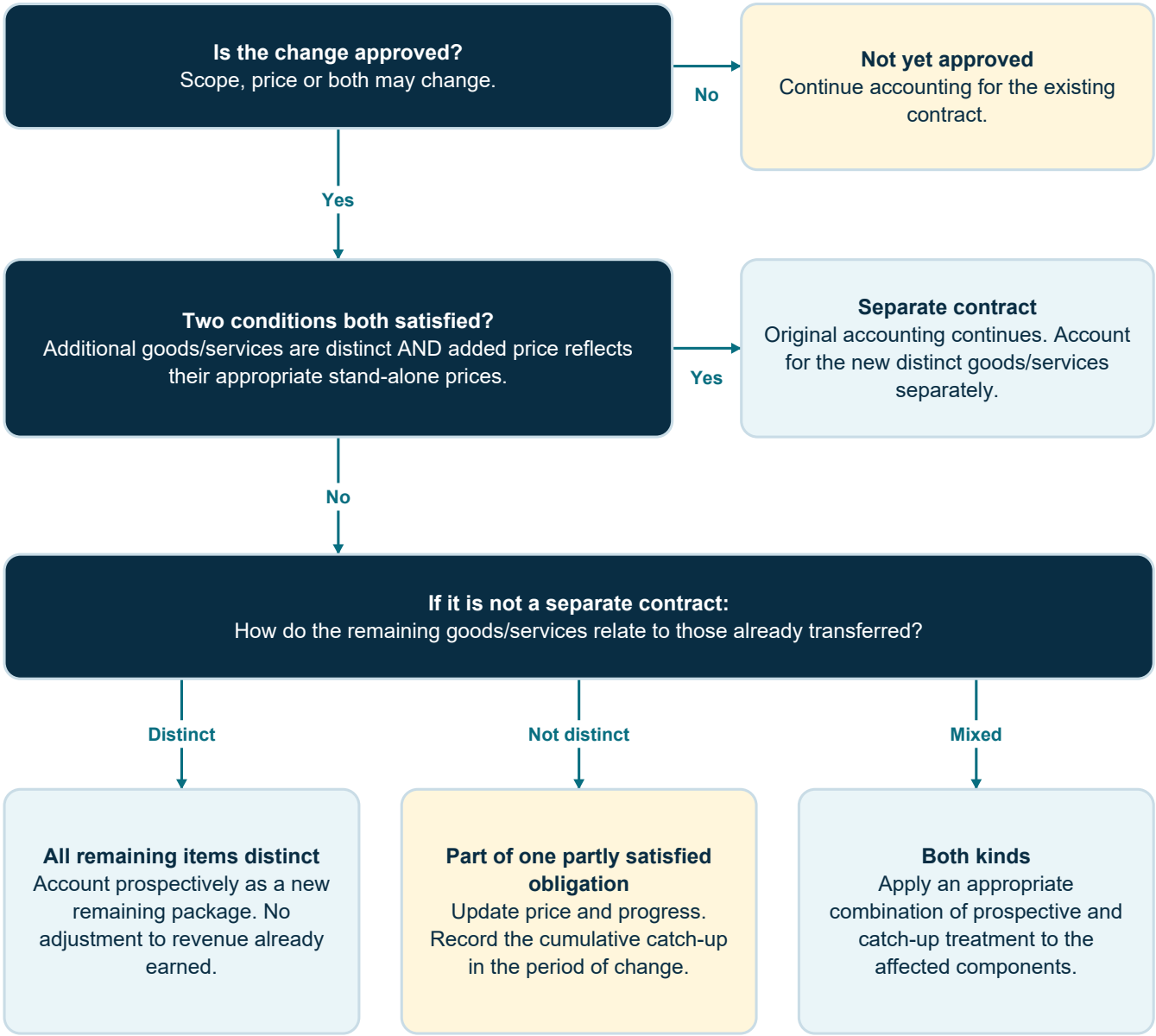
A contract changes. Which route?

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Assess enforceable rights and the goods or services still to be transferred. Do not choose a method merely because it gives the preferred margin.



Two details to retain: stand-alone pricing can include appropriate adjustments for the particular contract. If scope is approved but the price is uncertain, estimate the price change using the variable-consideration requirements.

Historical accounting context: October 2022. Independent Accounting Ahead design and examples. AASB 15, May 2022, paragraphs 18-21. A catch-up is not automatically a prior-period error or restatement.

Three routes, checked workings

Finch Training: remaining distinct workshops

Twelve distinct workshops originally cost **$28,800**. Four are delivered. Add four more for **$6,600**, which is not appropriate stand-alone pricing. Assume equal stand-alone values for the remaining workshops.

Prospective modification	Working
Already earned; unchanged	4 x ($28,800 / 12) = $9,600
Remaining consideration	$19,200 + $6,600 = $25,800
Each of the 12 remaining workshops	$25,800 / (8 + 4) = $2,150
Lifetime check	$9,600 + $25,800 = $35,400

Separate-contract alternative: instead add four distinct workshops for **$7,200**, assumed to reflect appropriate stand-alone pricing. Keep the original eight at **$19,200** in total ($2,400 each); recognise the new four under the separate $7,200 agreement ($1,800 each). Do not blend the two prices.

Mosaic Archive Services: cumulative catch-up

One integrated obligation qualifies for over-time recognition. Assume a suitable cost-based measure and unchanged qualifying incurred cost of **$60,000**. A non-distinct modification changes price and expected cost.

Measure	Before change	After change
Contract price	$280,000	$360,000
Total expected cost	$200,000	$240,000
Progress to date	$60,000 / $200,000 = 30%	$60,000 / $240,000 = 25%
Cumulative revenue	$280,000 x 30% = $84,000	$360,000 x 25% = $90,000
Current catch-up		$90,000 - $84,000 = $6,000

Reasonableness check: progress falls because expected total cost rises, but cumulative revenue rises because the revised price also increases. Review whether the input measure still depicts the transfer; invoicing or cash receipts do not establish progress.

Historical accounting context: October 2022. Independent Accounting Ahead design and examples. AASB 15, May 2022, paragraphs 20-21 and 39-45. All Finch and Mosaic facts and amounts are independently created.