

On 1 October 20X1, Bash Co borrowed \$6m for a term of one year, exclusively to finance the construction of a new piece of production equipment. The interest rate on the loan is 6% and is payable on maturity of the loan. The construction commenced on 1 November 20X1 but no construction took place between 1 December 20X1 to 31 January 20X2 due to employees taking industrial action. The asset was available for use on 30 September 20X2 having a construction cost of \$6m.

**What is the carrying amount of the production equipment in Bash Co's statement of financial position as at 30 September 20X2?**

- A     \$5,016,000
- B     \$6,270,000
- C     \$6,330,000
- D     \$6,360,000