

Question 7 Long Answer Long Answer

NUASA BANK
Statement of profit or loss & other comprehensive income for the year ended 31st Dec, 2019

	#	#
Interest income		185,003,021
Interest expenses		(58,000,000)
Net interest income		127,003,021
Loan impaired charges		(2,850,000)
		124,153,021
Fee & commission income		46,651,190
Fee & commission expenses		(1,500,000)
Net gains on financial instruments		168,974,900
Net gains on financial instruments		7,690,000
Other income		39,800,000
		189,644,900
Net impaired charges		(150,000)
Personnel expenses		(23,200,000)
General & Admin expenses		(22,500,000)
Operating usage expenses		(807,000)
Depreciation & Amortization		(12,115,000)
Other operating expenses		(27,273,000)
Profit before tax		90,009,900
Income tax expenses		(12,000,000)
Profit for the year		77,099,900

NUASA BANK
Statement of Other Comprehensive Income for the year ended 31st December, 2019

	#	#
Profit for the year		77,099,900
Other Comprehensive Income to be reclassified to P/L in subsequent years		
Actuarial gain	655,769	
	(163,402)	491,867
Foreign currency translation differences for foreign operations	1,059,843	
Income Tax (5%)	(259,900)	799,783
Net change in fair value available for sale financial	4,052,409	
Assets		
Income Tax (25%)	(1020,109)	306,000
Total comprehensive Income for the year		81,431,000

Question 1B

NUASA BANK
Statement of financial position of NUASA BANK for the year ended 31st Dec, 2019

ASSETS	#	#
Cash and Bank Balances	455,296,196	
Loanable financial assets	2,837,078	
available for sale assets	453,087,625	
Assets held to maturity	2,007,213	

Question 7

NUASA BANK
Statement of profit or loss & other comprehensive
income for the year ended 31st Dec, 2019

	₦
Interest income	185,000,000
Interest expenses	(58,000,000)
Net interest income	127,000,000
Less impaired charges	(2,880,000)
	124,120,000
Fee & Commission Income	46,651,190
Fee & commission expenses	(1,800,000)
Net gains on financial instrument	168,971,190
Net gains on financial instrument	7,690,000
Other income	3,800,000
	180,461,190
Net impaired charges	(150,000)
Personnel expenses	(23,700,000)
General & Admin expenses	(22,500,000)
Operating usage expenses	(807,000)
Depreciation & Amortization	(12,115,000)
Other operating expenses	(27,273,000)
Profit before tax	94,099,190
Income tax expenses	(17,000,000)
Profit for the year	<u>77,099,190</u>

Name :- Dnyang Parar Dnyang

Question 7

ALUASA BANK

Statement of profit or loss & other comprehensive income for the year ended 31st Dec, 2019

Interest Income	185,000,000
Interest expenses	(58,000,000)
Net interest income	127,000,000
Loan impaired charges	(2,880,000)
	124,120,000
Fee & Commission Income	46,651,190
Fee & Commission expenses	(1,800,000)
Net gains on financial instruments	168,971,190
Net gains on financial instruments	7,690,000
Other income	3,980,000
	180,641,190
Net impaired charges	(150,000)
Personnel expenses	(23,700,000)
General & Admin expenses	(22,500,000)
Operating usage expenses	(807,000)
Depreciation & Amortization	(12,115,000)
Other operating expenses	(27,273,000)
Profit before tax	94,099,190
Income tax expenses	(17,000,000)
Profit for the year	<u>77,099,190</u>

NUASA BANK

Statement of Other Comprehensive Income for the year
ended 31st December, 2019

	A	A
Profit for the year		77,099,900
<u>Other Comprehensive Income</u> to be reclassified to P/L in subsequent years,		
Actuarial gain	655,769	
	<u>(163,442)</u>	491,827
Foreign currency translation differences for foreign operations	1,039,843	
Income Tax (25%)	<u>(259,911)</u>	779,732
Net change in Fair value available for sale financial	4,050,429	
<u>Assets</u>		
Income Tax (25%)	<u>(10,201,071)</u>	30,603,227
Total Comprehensive Income for the year		<u>81,431,78</u>

Question 1B

NUASA BANK

Statement of financial position of NUASA BANK PLC
for the year ended 31st Dec, 2019

	A	A
<u>ASSETS</u>		
Cash and Bank Balances	455,296,196	
Loanable financial Assets	2,839,078	
Available for sale assets	453,089,625	
Assets held to maturity	2,007,203	

Assets pledged as collateral	58,961,722
Restricted deposits incl. other assets	433,528,669
Quantities in subsidiaries	46,207,004
Property & Equipment	84,979,798
Intangible Assets	4,501,296
Property & Financial Assets held for trading	16,852,856
Assets classified as held for sale	850,820

Liabilities,

Current Income Tax liabilities	29,009,770
Debt securities issued	92,131,923
Financial liabilities held for trading	2,647,469

loans & advances to banks	43,480
loans and advances to customers	1,265,971,688
Residual financial liabilities	2,606,986
Other liabilities	203,019,904
Other funded funds	219,671,384
Deposits from customer	1,697,560,947
Deposits for banks	42,360
Deferred tax liabilities	12,814,966
liabilities included in Assets	847,600

Classified as held for sale

Total liabilities

Equity & reserves	
Retained Earnings	109,594,239
Other components of equity	330,795,833
Share capital	24,415,590
Share premium	123,471,114
Total	

Imyung Fauw Inyung

17/5/2022

Question 2

MUASA Insurance PLC

Statement of financial position as at 31st December, 2021

Current Assets:-	6,437,403
Cash & cash equivalents	123,848
Trade receivables	57,903,833
Financial assets	2,429,069
Insurance Assets	264,842
Deferred Acquisition Cost	282,805
Other receivable & prepayment	1,707,077
Deferred Tax assets	2,302,690
Investment in subsidiaries	445,000
Investment in property	1,120,870
Goodwill & other intangible assets	5,111,828
Property & equipment	530,000
Statutory deposit	<u>773,266</u>

Liabilities

Finance lease obligation	49,834
Borrowing	1,134,840
Derivative liabilities	319,274
Insurance contract liabilities	55,319,777
Investment contract liabilities	8,295,042
Current tax payables	518,443
Deferred tax liability	263,622
Trade payables	1,547,588
Other payables & accruals	<u>2,432,087</u>

69,749,499

Question 2

Equity

Issued share capital	3465,102	
Share premium	2824,389	
Revaluation reserves	1221,707	
Available for sale reserve	(2,723,586)	
Exchange gains reserve	1148,521	
Contingency reserve	3,482,076	
Retained earnings	1,026,516	9449,775
		79,385,266

2b)

NUASA Insurance PLC

Statement of profit or loss

	A
Gross premium written	32,499,376
Gross premium written	(3,662,182)
Reinsurance expenses	28,787,214
Net premium income	
Commission income:-	744,069
Insurance contract	1,355,846
Pension & other contract	30,887,129
Net underwriting income	13,045,452
Claims expenses	(2,377,750)
Gross claim expense	19,667,702
Claim expense recovered from reinsurers	4,415,428
Net claims expenses	26,471,701
Underwriting expenses	5,717,056
Investment income	7,630,056
Net realised gains	(88,000)
Net fair value losses	569,965
Other operating expenses income	

Finance cost Personal expense
 Other operating expense
 Finance cost.

3,039,353
~~87,121~~

3,540,411
~~87,121~~

Question 3:-

Originating time differences

This is the type of timing difference that occurs for the first time in a situation.

Current tax:

This can be defined as the amount of income tax payable or recoverable by an entity/company due to its taxable profit/gains or loss for the financial accounting period.

Reversing time differences

This is the type of timing difference that reverse/change the originating timing differences from previous accounting period (year).

Deferred tax:

This is the amount rather than the tax imposed by the government - it is the tax payable or recoverable in the future accounting periods in relation to transactions that took place.

b) Tax on Income 17/11/2027
 It is important for companies to compute & account for deferred tax because paying in advance to create deferred tax asset can aid a business or company looking to decrease their tax liability in the future period of Deferred tax is accounted for in accordance with IAS 12, Income tax. Deferred tax normally results in a liability being recognized within the Statement of financial position.
 Deferred tax will translate to actual liability for future periods while deferred tax will lead to be reported fit in a period to be misinterpreted.

Debit		CREDIT		Debit		CREDIT	
Debtors		JAYEE LTD		Debtors		Interest %	
#		#		#		#	
P/L	17500	Ball	16,625	Ball	17,860	Payl	15,620
		WHT	875	WHT	960		
	<u>17500</u>		<u>17500</u>		<u>18800</u>		<u>18,000</u>

Withholding Tax		Bank A/c	
#		#	
Debit	875	Debit	940
Bank	<u>875</u>	Debit Rent	16,675
	<u>940</u>		<u>17850</u>
			Current tax 3500

Current Tax		Deferred Tax	
#		#	
Bank	3500	Ball b/d	65,500
Payl	65,000	Payl	34,500
	<u>100000</u>		<u>100000</u>
			<u>16760</u>
			<u>16,760</u>

QUESTION 3

Statement of Profit or Loss

	R
Net profit	470,500
Interest Income	17,500
Interest paid	(18,800)
	<hr/> 469,200
Capital allowance	38,700
Depreciation	(35,960)
Timing difference:	3,200
	<hr/> 3,200
	Depended tax $35\% \times 3,200 = 960$

	3,039,353
	87,121
Finance cost	3,540,411
Other operating expenses	87,121
Finance cost.	<u>20,496,333</u>

(5,252,250)

1,148,251

3,039,353

PP

3,039,353

(5,252,250)

1,148,251

Equity

Issued share capital

2,874,389

1,221,707

(2,723,836)

148,521

3,482,076

170

Equity

Equity issued share capital

846,102

Share premium

2,824,389

Revaluation reserves

1,221,707

Tradeable for-sale reserve

(2,723,836)

Exchange gains reserve

148,521

Contingency reserve

3,482,076

Retained earnings

1,026,516

9,444,775

79,385,240

Comparison: Question 3:-

Originating time differences

1) This is the type of timing difference that occurs for the first time in a situation.

Reversing time differences

This is the type of timing difference that reverse/change the originating timing differences from previous accounting period (yrs)

Current tax:

1) This can be defined as the amount of income tax payable or receivable by an entity/company due to its taxable profit/gains or loss for the financial accounting period.

Deferred tax:

This is the amount rather than the tax imposed by the government - it is the tax payable or receivable in the future accounting periods in relation to transactions that took place.

Question 4

Night Ferry Nig Ltd & Light Ferry Nig Ltd
a Comparison & Interpretation of Accounting Ratio

(a) Dividend Pay-out Ratio

$$= \frac{\text{DPS}}{\text{EPS}} \times 100$$

For Night Ferry

$$\text{DPS} = \frac{60,550,000}{250,000,000}$$

$$= 0.2422\%$$

$$\text{EPS} = \frac{150,000,000 - 32,000,000}{250,000,000}$$

$$= \frac{118,000,000}{250,000,000}$$

$$= 0.472\%$$

$$= 0.472\%$$

For Light Ferry

$$\text{DPS} = \frac{58,250,000}{220,000,000}$$

$$= 0.2648\%$$

$$= 0.2587\%$$

$$\text{EPS} = \frac{138,250,000}{220,000,000}$$

$$\text{EPS} = \frac{138,250,000 - 29,800,000}{220,000,000}$$

$$= \frac{108,450,000}{220,000,000}$$

$$= 0.493\%$$

$$= 0.473\%$$

$$\therefore \text{DPR} = \frac{0.2422}{0.472} \times 100$$

$$= 51.32\%$$

$$\text{DPR} = \frac{0.2587}{0.493} \times 100$$

$$= 52.48\%$$

$$= 51.9\%$$

4a iv) ~~Quick Ratio~~ Earnings Yield

$$= \frac{EPS}{MPS} \times 100$$

For Night Ferry
 $= \frac{0.472}{30.25} \times 100$
 $= 1.56\%$

For Light Ferry,
 $= \frac{0.493}{2.55} \times 100$
 $= 19.3\%$

ii) Creamy Ratio
 $= \text{Debit}$

For Night Ferry
 $= \frac{26,000,000 + 6,367,000}{39,012,750,000}$
 $= 0.234$

For Light Ferry
 $= \frac{27,200,000 + 30,650,000}{327,250,000}$
 $= 57,850,000$
 $= 327,250,000$
 $= 0.18$

Both companies are lowly geared meaning that they have more capacity capital than debts to be paid. However, Light Ferry is also geared.