

# TEST

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Course: ACC 302 - Intermediate FA

## Question 1

### NUASA BANK

Statement of Profit or Loss & Other Comprehensive Income for the Year ended 31/12/2019

Interest income	185,003,000
Interest expense	(58,000,000)
Net interest income	127,003,000
Loan impairment charges	(2,880,000)
Net interest income after loan impairment charges	124,123,000
Fee & Commission Income	46,651,900
Fee & Commission expenses	(1,800,000)
Net fee & commission income	44,851,900
Net gain on financial instruments held for trading	7,690,000
Other income	3,980,000
Net impairment charges on financial assets	(150,000)
Depreciation & amortization	(12,115,000)
Other operating expenses	(27,273,000)
Personnel expenses	(23,700,000)
General & administrative expenses	(22,500,000)
Operating lease expenses	(807,000)
Profit before income tax	94,099,900
Income tax expenses	(17,000,000)
	<u>77,099,900</u>

B) Statement of Financial Position of NIGASA for the Year Ended 31-12-2019

<u>Assets</u>	
Cash and bank	455,296,196
Financial assets held for trading	16,652,356
Derivative financial assets	2,839,078
Assets pledged as collateral	58,961,722
Loans & advances to banks	43,480
Loans & advances to customers	1,265,971,688
Restricted deposit & other assets	433,528,669
Investments in subsidiaries	46,207,004
Property & equipment	84,979,798
Intangible assets	4,501,296
Investment securities: Available for sales assets	453,089,625
Assets held to maturity	2,007,253
Assets classified as held for sale	2,824,078,165
Assets classified as held for sale	850,820
<b>Total assets</b>	<b>850,820</b>
<u>Liabilities</u>	
Deposit from banks	42,360
Deposit from customers	1,697,560,947
Financial liabilities held for trading	2,647,449
Derivative financial liabilities	2,606,586
Other liabilities	203,019,404
Current income tax liabilities	24,009,770
Debt securities issued	92,131,923
Other borrowed funds	210,671,384
Deferred tax liabilities	17,814,766
Liabilities included in assets classified for sale	817,600
<b>Total liabilities</b>	<b>817,600</b>
<u>Capital &amp; Reserves</u>	
Share capital	14,715,590
Share premium	123,471,114

Continuation of (b)

A

Retained earnings 109,596,239

Other components of equity 336,795,833

Total equity

Total equity & liabilities

VISTALINE

## Question 2

### NUASA Insurance Plc Statement of Financial Position as at 31-12-2017

<u>Assets</u>	
Cash & cash equivalents	6,437,403
Financial assets	57,903,833
Trade receivables	123,848
Reinsurance assets	2,479,069
Deferred acquisition cost	264,842
Other receivables & prepayments	282,805
Deferred tax assets	1,707,077
Investment in subsidiaries	2,308,690
Investment property	1,115,000
Goodwill & other intangible assets	1,120,871
Property & equipment	5,111,828
Statutory deposit	530,000
<b>Total assets</b>	<b>77,000,366</b>
<u>Liabilities</u>	
Insurance contract liabilities	55,379,977
Investment contract liabilities	8,295,016
Trade payables	1,547,548
Other payables & accruals	2,432,087
Current tax payable	518,443
Deferred tax liability	263,122
Borrowing	4,134,840
Finance lease obligation	49,854
Derivative liabilities	319,274
<b>Total liabilities</b>	<b>72,407,911</b>
<u>Equity</u>	
Issued share capital	3,465,102
Share premium	2,824,389
Revaluation reserves	1,221,707
Available for sale reserve	(2,723,536)

Continuation of 20

Exchange gain reserve 148,521

Contingency reserve 3,482,076

Retained earnings 1,026,516

Total equity

Total equity & liabilities



Question 3

a) Compare & Contrast

i) Originating & Reversing Timing Differences

Originating difference is the difference between the accounting profit and tax profit that occurs for the first time, while reversing difference, as the name implies reverses originating timing difference.

ii) Current & Deferred Tax

Current tax is the amount of tax payable or recoverable by a firm in respect of its profit/loss for a period. While deferred tax is tax payable or recoverable in future accounting periods in relation to events that have happened.

iii) Deferred tax account is kept so as to know the tax chargeable or recoverable for subsequent periods. It is also kept by companies looking to reduce their tax liabilities in the future.

c)

<u>Jay Tee Ltd</u>	
<u>Debt Interest Received</u>	
17500	Bank

P or L

<u>Debt Interest</u>	
18800	P or L

Bank

<u>Current Tax</u>	
35,000	Bal b/d
69,600	P or L (bal fig)
<u>104,600</u>	

Bank

Bal c/d (65,000 + 4600)

65,500  
39,100  
104,600

<u>Deferred Tax</u>	
16,760	Bal b/d
	P or L
<u>16,760</u>	

Bal c/d

15,800  
960  
16,760

<u>Workings</u>	<u>Bank</u>		
Debenture int received	17500	Debenture Int	18800
Bal c/d	36300	Current tax	35000
	<u>53800</u>		<u>53800</u>

### Statement of Profit or Loss

Net profit		₹	₹
			470,500
Interest income			18,421
			<u>18,500</u>
Interest paid			(19,789)
			469,123
Taxation: Current tax	39,100		
Defered tax	<u>960</u>		(40,060)
			<u>429,063</u>

### Workings

Capital allowance	₹	38,700
Depreciation		<u>(35,500)</u>
Timing difference		<u>3,200</u>
Defered tax @ 30%		960