Accounting Test.

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Matric: 171smso2/015

(1).

DUASA Bank

Statement Profit or loss and other Comprehensive Income for the Year ended 31st December 2019

	₦	₦
Profit for the Year		77,099,900
Other Comprehensive Income to be re-classified to P/L in the Subsequent Years		
Acturial gain	655,769	
Income tax (25%)	(163,942)	491,827
Foreign Currency translation differences for foreign operation	1,039,643	
Income Tax (25%)	(259,911)	779,732
Net change in Fair value available for sale Financial Assets	4,080,429	
Income Tax (25%)	(1,020,107)	3,060,322
Total comprehensive Income for the Year		81,431,718

Question 16

Dukasa Bank

Statement of Financial Position ~~for~~ the year ended 31 December 2019.

Cash and Bank Balances	455,296,196
Derivative Financial Asset	2,839,078
Available for Sale Asset	453,089,625
Asset held to maturity	2,007,253
Assets Pledged as collateral	58,961,722
Restricted deposits and other Assets	433,525,669
Investment in subsidiaries	46,207,004
Property and Equipment	84,979,798
Intangible Assets	4,501,296
Financial Asset held for trading	16,652,356
Assets classified as held for sale	850,820
Total Assets	

LIABILITIES.

Current Income Tax liabilities	24,009,770
Debt securities Issued	92,131,923
Financial liabilities held for trading	2,647,469.
Loans and advances to banks	43,480
Loans and advances to customers	1,265,971,688
Derivative Fin liabilities	2,606,586.
Other liabilities	203,019,404
Other borrowed Funds	210,671,384

...tion 2B.

	₦	₦
Deposits from Customers		
Deposits from Banks		1,697,560,947
Deferred Tax Liabilities		42,360
Liabilities Included In Assets classified as held for sale		10,814,766
		847600
Total Liabilites		
Equity and Reserves		
Retained Earnings		109,594,239
Other Components of Equity		550,795,833
Share capital		14,715,590
Share Premium		123,47,114
Total.		

Property and Equipment
Total Assets

Liabilities

Insurance Contract Liabilities
Investment Contract Liabilities
Trade Payable
Other Payables and accruals
Current tax Payable
Deferred tax [illegible]
Borrowing

	₦	₦
Finance lease obligation		49,854
Derivative liabilities		319,274
Total liabilities		69,940,471
Equity.		
Issued share capital		3,468,102
Share Premium		2,824,389
Revaluation reserve		1,221,787
Available for sale reserve		(2,723,536)
Exchange gain reserve		148521
Contingency Reserve		3,482,076
Retained Earning		1,026,516
Total liability and Equity		79,385,266.

Question 2B.

DUTSA Insurance Plc.
Statement of Profit or Loss

	₦
Gross Premium written	32,449,376
Reinsurance Expence	(3,662,162)
Net Premium Income	28,787,214
Commission Income:	
Insurance contract	
Pension and other contract	744,069.
Net Underwriting Income	1,355,846
	30,887,129
Claim Expense:	
Gross claim expenses	
Claim expences recieve from reinsurers	13,043,452
Net claim expenses	(2,377,750)
Underwriting expences	10,667,702
Underwriting Profit	4,415,428
	26,471,701
Investment income	
Net realized gains ~~fair value~~	5,717,056
Net fair value losses	7,630,227
Other operating income	(88,000)
~~Other operating~~	569,965
Personal expense	5,039,353

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Other operating expenses	3,580,11
Finance cost	87121

Question 3

Comparison.

(a) The originating time difference is the one that occurs for the first time in the Accounting situation. While

The Reversing time difference is the reversal change of the originating time difference from the Previous years of the accounting Period.

(b) Current tax: this is usually referred to as the income tax recoverred by an entity due to its taxable Profit or loss for the accounting Period.

Deferred Tax: This is referred to as the adjustment made to the current tax expense so that the total tax charge is based on the entity's financial reporting Profit for the Period.

5b) The reason is because Firstly defered tax will translate to actual liability in future Period and Ignoring deferred tax will lead to the reported Profit in a Period ~~to~~ being misinterpreted.

(31)

Jaffee limited

Debenture Recievable A/c.

	₨		₨
P or L	17,500	Bank	16,625
		WHT	875
	17,500		17500

Debenture Interest (Payable) A/c.

	₨		₨
Bank	17,860	P or L	18,800
WHT	940		
	18,800		18,800

Withholding tax A/c.

	₨		₨
Debenture Rec	875	debenture (Pay)	940
Bank	65		

Bank

	₨		₨
Debenture Rec	16,625	Debenture Payable	17,860
		Current tax	35,000

Current tax

	₦		₦
Bank	35,000	Bal b/d	65,500
Bal c/d	65,000	P or L	84,500
	100,000		100,000

Deferred Tax

	₦		₦
Bal c/d	16,760	Bal b/d	15,800
		P or L	960
	16,760		16,760

Statement of Profit or loss

	₦
Net Profit	470,500
Interest Income	17,500
Interest Paid	(18,800)
	469,200
Capital Allowance	38,700
Depreciation	(35,500)
Timing Difference	3,200

Deferred tax 30% x 3200 = 960

Light Tamp

$$DPS = \frac{\text{Gross Divident}}{\text{no of shares}}$$

$$= \frac{5,505,000 + 56,250,000}{250,000,000}$$

$$= \frac{61,755,000}{250,000,000}$$

$$= 0.24702.$$

$$EPS = \frac{PAT - \text{Ref Divided}}{\text{no of ordinary shares}}$$

$$PAT = 138,250,000 - 29,800,000$$

$$= 108,450,000$$

$$\therefore \frac{108,450,000 - 5,505,000}{25,000,000}$$

$$= \frac{102,945,000}{250,000,000}$$

$$= 0.41178$$

$$\text{Dividend Pay out} = \frac{0.24702}{0.41178} \times 100$$

$$59.98 \simeq 60\%$$

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Digit fund.

2 Earning Yield Digit Fund

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

$$EPS = \frac{0.432}{0.325} = 1.33 \text{times}$$

Ligit Fund

Earnings Yield

$$= \frac{0.468}{0.255} = 1.7 \text{times}$$

3 Gearing Ratio $\frac{Debt}{Total\ capital}$ Digit Fund.

Current Asset / Total capital

$$\frac{26,000,000}{390,275,500}$$

$$= 0.07$$

Quick Ratio

Current Asset - Inventory

Current Liabilities

84,000,000 - 48,000,000

0.08

(5) ROCE = $\frac{PBIT}{\text{Capital Employed}}$ Digit Fury.

$$\frac{150{,}000{,}000}{390{,}0{,}275{,}500} = 0.4.$$

Ligit Fury

$$\frac{PBIT}{\text{Capital Employed}}$$

$$= \frac{138{,}250{,}000}{327{,}250{,}000} = 0.4.$$

(i) ∴ From the above the Investors should Invest in Digit Fury because it is more viable.

(ii) From the Above workings Bank should grant loan to Digit Fury because than easily offset their Liabilities