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 Matric No: 1715M302/028  
 Dept: Accounting  
 Course code: Acc 302

Question 1

a NUAFA  
 Income statement for the year ended 31st December, 2019

88345000

Interest income	185,003,000	<del>3,980,000</del>
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
Fees and commission income		46,651,900
Fees and commission expenses		(11,800,000)
Net fee and commission income		34,851,900
Net gains on financial instrument held for trading		7,690,000
Other income		3,980,000
Net impairment charge		(150,000)
Personnel expenses		(23,700,000)
General and Administrative Expenses		(22,500,000)
Operating lease expenses		(807,000)
<del>Fees &amp; commission expenses</del>		<del>(1,800,000)</del>
Other operating expenses		(27,273,000)
Depreciation and amortization		(12,115,000)
	94,099,900	<del>786,750,000</del>
Income tax expense		(17,000,000)
	77,099,900	<del>59,675,000</del>

Statements of other comprehensive income for the year ended 31st Dec 2019 December 2019

Net change in fair value of available for sale	41,080,229
Foreign currency translation	77,732

Question 1b

NUFSA

Statement of financial position for the year ended 31st December 201

Asset	#	#
Cash and bank bal		455,291,116
Financial asset held for trading		161,652,356
Derivative financial asset		2,839,078
Available for sale asset		453,089,625
Asset pledged as collateral		58,961,722
Asset held to maturity		2,007,253
Loans and advances to banks		43,480
Loan and advances to customers		1,265,971,688
Restricted deposit and other asset		483,528,669
Investment in subsidiary		46,207,004
property and equipment		84,979,798
Intangible asset		41501,296
Asset classified as held for sale		850,820
		<u>2,824,928,985</u>

Liabilities

Deposit from bank	42,360	-
Deposit from customers	1,647,560,947	
Financial liabilities held for trading	2,647,469	
Derivative financial liabilities	2,606,586	
Other liabilities	203,019,404	
Current income tax liabilities	24,100,970	
Debt securities issued	92,131,923	
Other borrowed fund	210,671,384	
Deferred tax liabilities	<u>12,714,766</u>	
	2,245,504,609	
	<u>847,1600</u>	
Liabilities included in assets classified as held for sale		<u>2,246,352,209</u>
		2,246,352,209

Equity

Share capital

Share premium

Retained earnings

Other components of equity

₹

141,715,590

123,471,114

109,594,234

330,795,833

₹

578,576,776  
2,824,928,988

Question 2a

NUASA

Statement of Financial Position as at 31st December 2017

Assets	R
Cash and cash equivalent	61,437,403
Financial asset	57,903,833
Trade receivables	123,848
Reinsurance assets	2,479,069
Deferred acquisition cost	264,842
Other receivable & prepayment	282,805
Deferred tax asset	1,707,077
Investment in subsidiaries	2,308,690
Investment in property	4,115,000
Goodwill	1,120,871
Property and equipment	5,111,828
Statutory deposit	530,000
	79,385,206

Liabilities	
Insurance contract liability	55,379,971
Investment contract liability	8,295,046
Trade payables	1,547,548
Other payables and accruals	2,432,058
Current tax payable	518,443
Deferred tax liability	263,422
Borrowing	1,134,840
Finance lease obligation	49,854
liability	319,274
	69,940,491

Equity	
Issued share capital	3,468,102
Share premium	2,824,384
Revaluation reserve	1,221,787

Available for sale Resv  
Exchange gain resv  
St. contingency resv  
Retained earning

(2723,536)

148521

3482,076

1026,516

~~291385,266~~



Question 3a

~~Accounting~~

~~Compare~~

~~Reversing Timing Differences~~

Compare

Both originating and reversing timing differences help illustrate the items that are shown in taxable profit but they do not coincide at the same period in accounting profit

Contrast

Originating timing difference  
This is when a timing difference is occurring for the first time

Reversing Timing Difference  
This timing difference occurs to reverse the originating timing difference

3b) company can use it for differentiated the deduction of net income, which is shown on the income statement and a deduction of taxable net income

3c

~~Bank  
WHT~~

Debtors Interest	
16,625	Pror
875	
<u>17,500</u>	

17,500
<u>17,500</u>

Pror

Debtors Interest Receivables	
17,500	Bank WHT
<u>17,500</u>	

16,625
875
<u>17,500</u>

Debtors interest		
Bank	17,800	₹ 17,800
WHT	940	
	<u>18,800</u>	<u>18,800</u>

Bank		
Debtors Rec	17,800	Debtors Int 17,800
		current tax 35,000
		WHT 65

Current tax		
bank	35,000	bal b/d 65,500
bal b/d	65,000	PorL 34,500
	<u>100,000</u>	<u>100,000</u>

Deffered Tax		
bal b/d	16,760	bal b/d 15,800
		960
	<u>16,760</u>	<u>16,760</u>

Withholding tax		
Deb REC	875	Debtors interest 940
Bank	65	
	<u>940</u>	<u>940</u>

### Statement of profit or loss

Net profit	₹ 1,470,500
Interest income	17,500
Interest	(18,800)
	<u>1,469,200</u>

Capital allowance	38,700
Depreciation	(35,500)
	<u>3,200</u>

Deffered tax  $30\% \times 3200 = 960$

41 Night Fury

Dividend payout

$$\frac{\text{Dividend per share}}{\text{Earning per share}}$$

$$\begin{aligned} \text{DPS} &= \frac{\text{Gross dividend}}{\text{No of ordinary share}} \\ &= \frac{10,000,000 + 80,550,000}{250,000,000} \\ &= 0.28 \end{aligned}$$

$$\begin{aligned} \text{EPS} &= \frac{\text{PAT} - \text{Pref dividend}}{\text{No of ordinary share}} \\ &= \frac{118,000,000 - 10,000,000}{250,000,000} \\ &= 0.432 \end{aligned}$$

$$\begin{aligned} \text{DPR} &= \frac{0.28}{0.43} \times 100 \\ &= 65.1 \end{aligned}$$

Earning yield

EPS  
MP3

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



## Night Fury

Gearing ratio

Debt

Total capital

25,000,000

390,275,500

= 0.07

Quick Ratio

Current ~~As~~ Asset - Inventory

current liability

84,900,000 - 75,500,000

65,670,000

0.6

ROCE = PBIT

Capital employed

150,000,000

390,275,500

= 0.4

## Tight Fury

DPS = Gross dividend

No of ord shares

5,505,000 + 56,250,000

220,000,000

0.25