NAME - IGE AMINA TOLULOPE

MATRICULATION NUMBER:- 17/5ms02/025

Question 1.

a. NUASA BANK PLC

Statement of profit or loss and other comprehensive income for year ended 31st December, 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 and commission income	46,651,900
fee and commission expense	(1,800,000)
Net fee and commission income	44,851,900
Net gains on financial instruments	7,690,000
Other income	3,980,000
Net Impairment charge	(150,000)
Personnel Expenses	(23,700,000)
Operating lease expenses	(807,000)
Depreciation & amortization	(12,115,000)
Other operating expense	(27,273,000)
General and admin expenses	(22,500,000)
Profit before income tax	94,099,900
income tax expense	(17,000,000)
Profit for the year	77,099,900

Statement of Other Comprehensive Income

	₦	₦
Profit for the year		77,099,900
Actuarial gain		655,769
		77,755,669
Other Comprehensive income to be reclassified to profit or loss in subsequent years.		
Foreign currency translation differences	1,039,643	
Income tax (25%)	(259,911)	779,732
Net change in fair value of available financial assets	4,080,429	
Income tax (25%)	(1,020,107)	3,060,322
Total Comprehensive Income for the year		81,595,723

NUASA BAND

1b. Statement of financial position for year ended 31st December, 2019

Assets:-	₦	₦
Cash and bank balances		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 and advances to banks		43,480
Loans and advances to customers		1,265,971,688
Assets held to maturity		2,007,253
Available for sale asset		453,089,625
Restricted deposits and other assets		433,528,669
Investment in subsidiaries		46,207,004
Property and equipment		84,979,798
Intangible asset		4,501,296
Assets classified as held for sale		850,820
TOTAL ASSETS		2,824,928,985

Liabilities.		
Deposits from banks	42,360	
Deposits from customers	1,697,560,947	
financial Liabilities held for trading	2,647,469	
Derivative financial Liabilities	2,606,586	
Other liabilities	203,019,404	
Current income tax liabilities	24,009,770	
Debt securities issued	92,131,923	
Other borrowed funds	210,671,384	

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	₦	₦
Deferred tax liabilities	12,814,766	
Liabilities classified as held for sale	847,600	
Total liabilities	-	2,246,352,209
Capital and Reserves:-		
Share capital	14,715,590	
Share premium	123,471,114	
Retained earnings	109,594,239	
Other components of equity	330,795,833	
Total Equity	-	578,576,776
Total liabilities and Equity		2,824,928,985

Question Two.

a: Nuasa Insurance Plc

Statement of financial position as at 31st December, 2017.

	₦	₦
ASSETS		
Cash and Cash equivalent		6,437,403
financial assets		57,903,833
Trade recievable		123,848
Reinsurance assets		2,479,069
Deferred acquisition cost		264,842
Other recievables and prepayment		282,805
Deferred tax asset		1,707,077
Investment in subsidiaries		2,308,690
Investment property		1,115,000
Goodwill and other Intangible asset		1,120,871
Property and equipment		5,111,828
statutory deposits		530,000
Total assets.		79,385,266

Liabilities EQuity:

	₦	₦
Issued Share Capital	3,465,102	
Share premium	2,824,389	
Revaluation reserves	1,221,707	
available for sale reserve	(2,723,536)	
exchange gain reserve	148,521	
Contingency reserve	3,482,076	

	₦	₦
Retained earnings	1,026,516	~~9444,7~~
Total equity		9444,775
Liabilities		
finance lease obligation	49,854	
Insurance contract liabilities	55,379,977	
Investment contract liabilities	8,295,046	
trade payables	1,547,548	
Other payables and accruals	2,432,087	
Current tax payable	518,443	
Deferred tax liability	263,422	
Borrowing	1,134,840	
Derivative liabilities	319,274	
total liabilities		69,940,491
total equity and liabilities.		79,385,266

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Question 4.

1. D...

MUASA Insurance

Statement of profit & loss for the year ended 31st Dec 2017

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Gross premium written	32,449,376
Reinsurance expenses.	(3,662,162)
Net premium income	28,787,214.
Commission income:-	
Insurance Contract	744,069
pension and other Contract	1,355,846
Net industry income.	30,887,129
Claims expenses:-	
Gross claim expenses	13,045,452
claim expenses recovered from reinsurers	(2,377,750)
Net claim expenses.	10,667,702

Question 4.

1. Dividend pay out ratio

$$= \frac{\text{Dividend per share}}{\text{Earning per share}} \times 100.$$

For Night fury.

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

$$= 0.242$$

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

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

$$= 0.472$$

$$\therefore DPR = \frac{0.242}{0.472} \times 100$$

$$= 51.3\%$$

for light fury.

$$DPS = \frac{56,250,000}{220,000,000}$$

$$= 0.2557$$

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

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

$$= 0.493$$

$$DPR = \frac{0.2557}{0.493} \times 100$$

$$= 51.9\%$$

2) Earnings yield

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

for Night fury

$= \frac{0.472}{3.25} \times 100$

$= 14.5\%$

for light fury

$= \frac{0.493}{2.50} \times 100$

$= 19.3\%$

3) Gearing Ratio

$= \frac{Debt}{Equity}.$

for Night fury

$= \frac{26,000,000 + 65,670,000}{390,275,500}$

$= \frac{91,670,000}{390,275,500}$

$= 0.23$

for light fury -

$= \frac{27,200,000 + 30,650,000}{327,250,000}$

$= \frac{57,850,000}{327,250,000}$

Quick ratio

$$= \frac{\text{Current asset} - \text{Inventory}}{\text{Current liabilities}}.$$

for Night fury

$$= \frac{39{,}400000 - 45{,}500{,}000}{65{,}670{,}000}$$

$$= 0.09 : 1$$

for light fury

$$= \frac{45{,}400{,}000 - 50{,}000{,}000}{30{,}650{,}000}$$

$$= 0.15 : 1.$$

v. ROCE

$$= \frac{\text{Profit}}{\text{Capital Employed}}.$$

for Night fury

$$= \frac{150{,}000{,}000}{350{,}275{,}000}$$

$$= 0.3545$$

for light fury

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

$$= 0.4224$$

$$= 0.42.$$

= A potential Investor should Invest in Night fury.

ii. A bank will be more likely to grant a loan because the companys have more equity Capital than debts.

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