

W) Dividend Ratio =  $\frac{\text{Current Assets} - \text{Inventory}}{\text{NAME} - \text{FRENCH OILORIO90}}$

DEPT - ACCOUNTING

MATRIC NO - 1719ms021017

5th June, 2020

4) Ratio Analysis for Night fury and Light fury Nigeria Ltd as at 31st December, 2018.

1) Dividend Pay out Ratio:  $\frac{\text{Dividend Per share}}{\text{Earnings Per share}} \times 100\%$

where dividend per share =  $\frac{\text{Gross dividend}}{\text{No of ord. shares}}$

$$\begin{aligned} \text{For Night fury} &= \frac{60,350,000}{250,000,000} & \text{for Light fury} &= \frac{56,250,000}{220,000,000} \\ &= 0.2022 & &= 0.2307 \end{aligned}$$

where earnings per share =  $\frac{\text{PATI} - \text{Preference dividend}}{\text{No of ord. share issued}}$

$$\begin{aligned} \text{For Night fury} &= \frac{118,000,000 - 32,000,000}{250,000,000} & \text{for light fury} &= \frac{108,450,000 - 29,800,000}{220,000,000} \\ &= 0.472 & &= 0.493 \end{aligned}$$

$$\begin{aligned} \text{Dividend Pay out Ratio} &= \frac{0.2022}{0.472} & &= \frac{0.2307}{0.493} \\ &= 0.428, & &= 0.468 \end{aligned}$$

3e)

JAMICE LTD

ledge entries

Debitve Interest Receivable

Por L	18,421	Benic	17,500
		ldHT	921 $(\frac{5}{95} \times 17,500)$
	<u>18,421</u>		<u>18,421</u>

Debitve Interest

Benic	18,800	Por L	19,789
ldHT $\frac{5}{95} \times 18,800$	989		
	<u>19,789</u>		<u>19,789</u>

Withholding Tax

Debitve Interest	921	Debitve Interest	989
Benic	68		
	<u>989</u>		<u>989</u>

Benic

17,500	Debitve Int.	18,800
	ldHT	68
	Current Tax	35,500

3)

Current Tax			
Basic	35,500	bal b/d	65,500
	65,500	Por L	35,500
	<u>101,000</u>		<u>101,000</u>

Deferred Tax			
Por L	960	bal b/d	15,840
Bal b/d	14,880		
	<u>15,840</u>		<u>15,840</u>

~~Deferred~~  
Statement of financial Position (Extract)

Net Profit + Interest	470,500
Interest Income	18,421
Interest	(19,789)
	<u>467,132</u>

Provision:  
 Current Tax  
 Deferred

35,500	(34,540)
<u>960</u>	<u>434,592</u>

NUNSA BANK

Statement of Profit or Loss and Other Comprehensive Income for the year ended 31st December, 2019.

	A#	A#
Interest Income		185,003,000
Interest Expenses		<u>(58,009,000)</u>
Net Interest Income		127,003,000
Loan Impairment charges		<u>(2,880,000)</u>
		124,123,000
Fee and Commission Income		46,651,900
Fee and Commission expense		<u>(1,800,000)</u>
		44,851,900
Net gains on financial instruments		7,690,000
Other income		3,980,000
Net Impairment charges		<u>(150,000)</u>
Personnel expenses		<u>(23,700,000)</u>
General and Admin Expenses		<u>(22,500,000)</u>
Operating lease Expenses		<u>(807,000)</u>
Depreciation and Amortization		<u>(12,115,000)</u>
Other Operating Expenses		<u>(27,273,000)</u>
Profit before tax		94,099,900
Tax expenses		<u>(17,000,000)</u>
Profit After Tax		<u>77,099,900</u>

b) Statement of Other Comprehensive Income for the year ended 31st Decense, 2019

	₹	₹
Profit for the year		71,099,900
Other Comprehensive Income:		
Actuarial gain		
Income tax (25%)	655,769	
	<u>(163,942)</u>	491,827
Foreign currency translation differences for foreign operations	1,039,643	
Income tax (25%)	<u>(259,911)</u>	779,732
Net change in fair value	4,080,429	
Income tax (25%)	<u>(1,020,107)</u>	3,060,322
Total C.I for the year		<u>81,431,781</u>

ii) Earnings yield =  $\frac{EPS}{MPS} \times 100\%$

2

NUASA INSURANCE  
NUASA INSURANCE PLC

Statement of Profit or Loss and other Comprehensive Income for the year ended  
 31st December, 2017

	#
Gross Premium written	32,144,376
Unearned premium	22,038,721
Gross premium income	<u>54,488,102</u>
Reinsurance expense	(3,662,162)
Net premium income:	<u>50,825,940</u>
Fee and commission income:	
Insurance contract	744,669
Pension and other contract	1,355,846
Net underwriting income	<u>52,926,855</u>
Gross Claims expenses	13,045,452
Claims exp. received from reinsurers	(2,137,750)
Net claim expenses	<u>10,667,702</u>
Underwriting expenses	<u>3,649,535</u>
Total underwriting expense	14,347,237
Underwriting profit	38,578,618
Investment income	5,717,056
Investment Income on dep. Adm	147,772
Impairment loss of Asset	(12,007)
Other operating income	569,965
Net realised gains	7,630,227
Net fair value losses	(88,000)
Expenses -	(3,039,353)
Personnel exp	(3,540,411)
Other operating exp	(87,121)
Finance cost	<u>45,876,746</u>
Net operating before tax	

31st Dec. 2017  
 Total Assets = Total Liabilities + Total Equity  
 C603,688

Statement of Financial Position  
 KUNASA MOUNTAIN PLC

2b)  
 Statement of financial Position as at 31st December 2017

Assets	R
Cash and cash equivalents	6,437,403
Financial assets	57,903,883
Trade receivable	123,848
Reinsurance assets	2,479,069
Deferred acquisition cost	264,842
Other receivables &	282,805
Deferred tax asset	1,706,047
Investment in subsidiaries	2,308,690
Investment property	1,115,000
Goodwill	1,120,871
Property & equipment	5,111,828
Statutory deposit	530,000
<b>Total assets</b>	<b>79,385,266</b>
<b>Liabilities and Equity</b>	<b>R</b>
Liabilities	49,854
Finance lease obligation	1,134,840
Borrowing	

$$\text{Earnings yield} = \frac{\text{EPS}}{\text{MPS}} \times 100\%$$

Derivative liabilities  
 Insurance contract liab.  
 Investment contract liab.  
 Current tax payable  
 Deferred tax liability  
 Trade payables  
 Other payables  
 Total liabilities

Equity:-  
 Provision reserve  
 Avail for sales reserves  
 Exchange gains reserves  
 Issued share capital  
 Share premium  
 Contingency reserve  
 Retained earnings  
 Total liab & equity

$$\text{Total equity} = 9,444,775,11$$

319,274  
 53,379,977  
 8,295,046  
 518,443  
 263,422  
 1,547,528  
 2,432,087  


---

 69,940,491

122,1707  
 (2,723,536)  
 148,521  
 3,465,102  
 2,824,389  
 3,483,076  
 1,026,516  


---

 79,385,266

Current Tax

$$ii) \text{ Earnings yield} = \frac{\text{EPS}}{\text{MPS}} \times 100\%$$

$$\text{Earnings per share for Night fury} = 0.472$$

$$\text{Light fury} = 0.493$$

$$\text{Market price per share for Night fury} = 325 \text{ Kobo}$$

$$\text{Light fury} = 255 \text{ Kobo}$$

$$\therefore \text{Earnings yield for Night fury} = \frac{0.472}{3.25} \times 100$$

$$= 14.52\%$$

$$\text{Light fury} = \frac{0.493}{2.55} \times 100$$

$$= 19.33\%$$

$$ii) \text{ Earnings} = \frac{\text{Debt} \cdot \text{fixed interest loans} + \text{Preference share Capital}}{\text{Equity} / \text{Ordinary share Capital} + \text{Reserves}}$$

$$\text{for Night fury} = \frac{100,000,000 + 26,000,000}{250,000,000 + 14,275,000} = 0.476\%$$

$$\text{for light fury} = \frac{55,050,000 + 27,200,000}{220,000,000 + 25,000,000} = 0.336\%$$

4b)

### 3) Comparing and Contrasting

- Originating and Reversing Timing Differences.

Originating Timing Differences are differences that occur for the first time which it arises and it is also capable of reversal in other periods.

Reversing Timing Differences are differences which reverse originating timing differences from previous accounting periods.

- Current Tax and Deferred Tax

Current Tax is defined as the amount of income tax payable or recoverable by an entity in respect of its taxable profit or loss for a period.

Deferred Tax is an accounting measure rather than a tax levied by government; it represents tax payable or recoverable in future accounting periods.

Also when deferred tax expense is negative for a period, current tax expense is lower than current income tax payable.

3b) Reason why it is important for companies to compute and account for deferred tax?