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 APPLIC No: 1715MS021039

Statement Preparing

Case: 400302

DATE: 5/06/2020

Question 19 TEST
101957 Bank

STATEMENT OF Profit/Loss and other Comprehensive Income for the ended 31st December 2019.

Interest Income	185,000,000
Interest Expense	(58,000,000)
Net Interest Income	127,000,000
Loan impairment charges	(2880,000)
Net Interest Income after impairment charges	124,120,000
Fee and commission income	46,651,900
Fee and commission Expense	(1800,000)
Net Fee Income	244,851,900
Net gains on financial instrument	7,690,000
Other Income	3,980,000
Depreciation and Impairment	(12,115,000)
Other operating Expense	(27,273,000)
Net Impairment charges	(150,000)
Personal Expense	(23,700,000)
General and Admin Expenses	(1,250,000)
Operating base Expense	(80,900)
Profit before taxation	44,071,900
Income tax Expense	(17,000,000)
Profit for the year	<u>27,071,900</u>

QUESTION 15

NUASA BANK

Statement of other Comprehensive Income for the Year ended 31 December 2019.

Profit for the year		7,200,900
Other Comprehensive Income to be reclassified to P/L in subsequent year		
Actuarial Gain	655,769	
Income Tax (25%)	(163,942)	491,827
Foreign Currency Translation Differences for Foreign Operations	1039,643	
Income Tax (25%)	(259,911)	779,732
Net change in fair value available for sale financial assets	4,080,429	
ASSETS		
Income Tax (25%)	(1020,107)	3060,322
Total Comprehensive Income for the year		<u>8,143,781</u>

Question 2A

ALLIANCE Insurance Plc

Statement of Financial Position at 31st December 2017.

ASSET	#	#
Cash and Cash Equivalents	6,437,403	
Financial Asset	5,790,833	
Trade Receivable	123,808	
Reinsurance Asset	2,479,059	
Defined obligation cost	264,842	
Other Receivable and Prepayment	282,805	
Defined Tax Asset	1,707,077	
Investment in Subsidiaries	2,308,690	
Investment in Property	1,115,000	
Goodwill and other Intangible Asset	1,120,871	
Property and equipment	5,111,828	
Strategy Reserve	5,300,000	
<u>Total Asset</u>	<u>81,762,266</u>	
<u>LIABILITIES</u>		
Insurable Contract liability	55,379,977	
Investment Contract liability	8,295,046	
Trade Payable	154,754	
Other payable and accruals	2,432,080	
Current tax payable	518,443	
Deferred tax liability	263,422	
Borrowing	1,134,840	
Finance lease obligation	49,854	
Debtors liability	3,192,774	
<u>Total liability</u>	<u>69,940,491</u>	

Question 2B

#

Equity	#
Issued Share Capital	3,468,102
Share Premium	2825,389
Retainable Reserve	1,221,707
Available for Sale Reserve	(2723,538)
Exchange Gain Reserve	14,852
St. Contingency Reserve	3,482,076
Retained Earnings	102,6516
<u>Total liability and Equity</u>	<u>79,385,266</u>

Originating and Reversing Timing Differences

Originating Timing Difference: These are timing differences that occur for the first time.

Reversing Timing Difference: These are timing differences that reverse the originating timing difference from the previous periods.

Current Tax and Deferred Tax

Current Tax: This is the amount of tax payable by an entity from its taxable profit or loss in a period.

Deferred Tax: This represents the tax payable in future periods in relation to transactions that have taken place.

Deferred Tax will arise to actual liability in future periods.

Deferred Tax will arise to the reported in future periods.

by timing difference tax will be misinterpreted in a period to be no profit or loss

no profit or loss

QUESTIONS (C) JPTTE Ltd

Debitum Receivable

PoL 17500	Bank 16625
	WHL 875
<u>17500</u>	<u>17500</u>

Debitum Interest

Bank 17500	PoL 18800
WHL 940	
<u>18800</u>	<u>18800</u>

With Holding Tax

Debitum Received 875	Debitum 940
Bank 85	
<u>940</u>	<u>940</u>

Bank

Debitum Received 16625	Debitum 17800
Current Tax 300	

Current Tax

Bank 35000	Bank 65500
Bank 65000	PoL 34500
<u>100000</u>	<u>100000</u>

Deferred Tax

Bank 16760	Bank 15500
PoL 940	
<u>16760</u>	<u>16760</u>

Statement of Profit or Loss

Net Profit	490500
Interest Income	47500
Interest Paid	(18500)
Capital Allowance	469,200
Depreciation	38700
Timing difference	(35500)
Deferred Tax	3200
300 x 3200 = 960	

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 Light Ferry Ltd & Light Ferry (Pvt) Ltd.
 Computation and Interpretation of Financial Ratios.

(i) Dividend Pay-out Ratio

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

For Light Ferry
 DPS = $\frac{60,550,000}{250,000,000}$
 = 0.2422

EPS = $\frac{150,000,000 - 32,000,000}{250,000,000}$
 = $\frac{118,000,000}{250,000,000}$
 = 0.472

DPAR = $\frac{0.2422}{0.472} \times 100$
 = 51.39%

For Light Ferry
 DPS = $\frac{56,250,000}{220,000,000}$
 = 0.2557

EPS = $\frac{138,250,000 - 29,000,000}{220,000,000}$
 = $\frac{108,450,000}{220,000,000}$
 = 0.493

DPAR = $\frac{0.2557}{0.493} \times 100$
 = 51.9%

Quick Ratio = $\frac{\text{Current Asset} - \text{Inventory}}{\text{Current Liability}}$

For Light Ferry
 $\frac{39,400,000 - 75,500,000}{5,670,000}$

For Light Ferry
 $\frac{45,400,000 - 50,000,000}{30,650,000}$

(ii) ROCE = $\frac{\text{Prof. (Return)}}{\text{Capital employed}}$

For Light Ferry
 $\frac{150,000,000}{390,295,000}$
 = 0.3845

For Light Ferry
 $\frac{138,250,000}{327,250,000}$
 = 0.42

(iii) Earning Yield = $\frac{EPS}{MP}$

For Light Ferry
 $\frac{0.472}{3.25} \times 100$
 = 14.59%

For Light Ferry
 $\frac{0.493}{3.27} \times 100$
 = 15.08%

Gearing Ratio = $\frac{\text{Debt}}{\text{Equity}}$

For Light Ferry
 $\frac{260,000,000}{260,000,000 + 56,900,000}$
 = 0.23

For Light Ferry
 $\frac{272,000,000}{272,000,000 + 30,650,000}$
 = 0.23

Both companies are highly geared meaning that they have more equity than debt & so paid. However Ferry is less geared.