

ONLINE TEST

Question 3

i) Originating timing difference is described as originating/occurring in the period in which it arises. They include the initial timing difference between ^{pretax} accounting income and taxable income. This could include both credit and debit entries to deferred income taxes.

while
Reversing timing difference includes those journal entries required to eliminate the impact timing differences had on deferred income taxes in prior periods.

ii) Current Tax is the amount of income tax determined to be payable (recoverable) in respect to the taxable income (tax loss) for a period

while
Deferred tax is the tax effect of timing differences. It is the tax payable or recoverable in the future accounting periods in relation to transactions that took place.

(36)

It is important for companies to compute and account for deferred taxes because it can help a business to decrease their tax liability in a future period.

(30)

JAYEE LTD

Debtenture Receivable			
At		At	
Profit/loss	17,500	Bank	16,625
		Withholding Tax	875
	<u>17,500</u>		<u>17,500</u>

Debtenture Interest			
At		At	
Bank	17,860	Profit/loss	18,800
WHT	940		
	<u>18,800</u>		<u>18,800</u>

Withholding Tax		Debtenture Interest		Bank	
At		At		At	
Debtenture Rec.	875	Debtenture Interest	940	Debtenture Receivable	16,625
Bank	65			Debtenture Interest	17,860
	<u>940</u>		<u>940</u>	Current tax	35,000

Current Tax		Deferred Tax	
Bank	35,000	Bal b/d	65,500
Bal c/d	65,000	Bal c/d	16,760
	<u>100,000</u>	Profit/loss	34,556
			<u>100,000</u>
			<u>16,760</u>
			<u>16,760</u>

Statement of profit or loss

Net profit	470,500
Interest Income	17,500
Interest paid	(18,800)
	<u>469,200</u>
Capital allowance	38,700
Depreciation	(35,500)
Timing difference	<u>3,200</u>

$$\text{Deferred tax} = 30\% \times 3,200 = 960$$

(2)

Night Fury Mig LTD

i) Dividend pay out Ratio

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

$$\text{DPS} = \frac{650,580,000}{280,000,000} = 0.2422$$

$$\text{EPS} = \frac{150,000,000 - 320,000,000}{280,000,000} = 0.472$$

$$\text{DPR} = \frac{0.2422}{0.472} \times 100 = 51.3\%$$

Light Fury Mig LTD

$$\text{DPS} = \frac{56,250,000}{220,000,000} = 0.2557$$

Question one

(1a)

NUASA BANK

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE 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)	
	124,123,000	
Fee & Commission Income	46,651,900	
Fee & commission expense	(1,800,000)	
Net fee and commission Income	168,1974,900	
Net gains on financial instrument	7,690,000	
Other Income	3,980,000	
Net impairment charges	(180,644,900)	
personal expenses	(150,000)	
General & Admin Expenses	(23,700,000)	
Operating lease expense	(22,500,000)	
Depreciation & Amortization	(807,000)	
Other Operating expenses	(12,115,000)	
Profit before tax	(27,1273,000)	
Income tax expenses	94,099,900	
	(17,000,000)	
Profit for the year	77,099,900	

NUASA BANK

STATEMENT OF OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31ST DECEMBER 2019

	₺	₺
Profit for the year		77,099,900
Other Comprehensive Income to be re-classified		
Actuarial gain		655,769
Foreign currency translation difference	1,039,643	
Income tax (25%)	(259,911)	
		779,732

Net change in fair value available for sale financial assets	4,080,409	
Income Tax (25%)	(1,020,107)	3,060,322
Total Comprehensive Income for the year		81,595,723

(18)

NUASA BANK

STATEMENT OF FINANCIAL POSITION FOR THE YEAR ENDED 31ST DECEMBER 2019

<u>ASSETS</u>	*	*
Cash and Bank Balances		455,296,190
Financial assets held for trading		16,652,856
Derivative financial assets		2,839,078
Assets pledged as collateral		55,961,922
loans & advances in banks		43,480
loans & advances to customers		1,265,971,688
Assets held to maturity		2,007,253
Restricted deposits & other assets		45 3,069,625
Investment in subsidiaries		433,528,669
Property & equipment		46,207,004
Intangible assets		84,979,798
Assets classified as held for sale		4,501,296
		850,820
<u>Total Assets</u>		2,824,928,985

Liabilities

Current Income tax liabilities	24,009,770
Debt Securities Issued	92,131,923
Financial liabilities held for trading	2,647,469
loans & advances to banks	43,480
loans & advances to customers	1,265,971,688
Derivative financial liabilities	2,606,586
Other liabilities	203,019,404
Other borrowed funds	210,671,384
Deposit from customer	1,697,560,947
Deposit from Banks	42,1366

1b Continuation

	A	#
Deferred Tax liabilities		
Liabilities included in Assets as held for sale	12,814,786	
	8,477,600	
Total liabilities		<u>2,246,352,209</u>
<u>Equity & Reserves</u>		
Share capital		
Share premium	14,715,590	
Retained earnings	123,471,114	
Other component of equity	109,594,239	
	<u>330,779,883</u>	578,576,776
Total liability & equity		<u><u>2,824,928,985</u></u>