

IBRAHIM AYOMIKUN OLUWARO  
11/11/2019

Question One

NUASA BANK

Statement of Profit or Loss and Other Comprehensive Income For The  
Year Ended 31st December, 2019.

	#	#
Interest Income		185,003,000
Interest expenses.		(58,000,000)
Net interest income		<u>127,003,000</u>
Loan impairment charges.		(2,800,000)
Fee & commission income		124,123,000
Fee & commission expenses		46,651,900
		<u>1,800,000</u>
Net gain on financial instrument.		168,974,900
Other income.		7,690,000
		<u>3,980,000</u>
Net impairment charges on financial assets.		180,644,900
Personal expenses.		(150,000)
General & admin expense		(23,700,000)
Operating lease expense.		(22,500,000)
Depreciation & amortization		(807,000)
Other operating expenses.		(12,115,000)
Profit before tax		<u>(27,273,000)</u>
Income tax expense		94,099,900
Profit for the year		<u>(17,000,000)</u>
		<u><u>77,099,900</u></u>

NUASA BANK  
Statement of Other Comprehensive Income For The Year Ended 31st December  
2019

Profit for the year	77,099,900
Other income not to be classified:	
actuarial gains	655,309
income tax (25%) relating to actuarial gains	(163,942)
foreign currency translation differences for foreign operations	1,039,643
income tax relating to foreign currency at 25%	(259,991)
Net change in fair value	4,080,420
Income tax relating to fair value 25%	(1,020,107)
Total Comprehensive Income For The Year	81,431,701

Question 15

NUASA BANK  
Statement of Financial Position of NUASA BANK For The Year  
Ended 31st December, 2019.

<u>Assets</u>	
Cash and bank balances.	455,296,196
derivative financial assets.	2,183,018
available for sale assets	453,089,625
assets held to maturity	2,007,253
assets pledged as collateral	58,967,722
restricted deposits and other assets	433,528,669
Investment in subsidiaries.	46,207,004
Property and Equipment	84,974,798
Intangible assets	4,501,296
Financial assets held for 'trading'	16,052,356

## Question two

### Statement of Financial Position as at 31st Dec 2017

MUSA INSURANCE LTD PLC

#### Assets

Cash and cash equivalents	6,437,403	
Financial assets	57,903,833	
Trade receivables	123,848	
Reinsurance assets	2,479,069	
Deferral acquisition cost	264,842	
Other receivables and prepayments	282,805	
Deferral tax assets	1,707,077	
Investment in subsidiaries	2,308,690	
Investment in property	1,115,000	
Goodwill and other intangible assets	1,120,871	
Property and Equipment	5,111,828	
Statutory deposit	530,000	
	<hr/>	
	79,385,266	

#### Liabilities

Finance lease obligation	49,854	
Borrowing	1,134,840	
Derivative liabilities	319,274	
Insurance contract liabilities	55,379,977	
Investment contract liabilities	8,295,046	
Current tax payables	518,443	
Deferred tax liability	263,422	
Trade payables	1,547,548	
Other payables and accruals	2,432,087	
	<hr/>	
		69,940,491

# Equity

Issued share capital	3,465,102
Share premium	2,824,384
revaluation reserves	1,221,707
available for sale reserve	(2,123,536)
exchange gains reserve	148,521
contingency reserve	3,282,076
retained earnings	<u>1,026,512</u>

9,444,175

79,385,266

Question 26)

UFAFA INSURANCE PLC

Statement of Profit or Loss and Other Comprehensive Income for The Year Ended 31st December, 2014

	#
From Premium written	82,449,376
Reinsurance expenses	(3,662,162)
Net income income.	<u>28,787,214</u>
Commission income:	
Insurance contract.	744,064
Domestic and other contract.	<u>1,355,846</u>
Net underwriting income.	<u>30,887,129</u>
claim expenses	13,045,452
From claim expenses	<u>(2,317,150)</u>
claim expenses recovered from reinsurers	10,667,702
Net claim expenses	<u>4,415,423</u>
underwriting expenses.	26,471,701
underwriting profit	5,717,056
investment income	7,630,227
net realized gains	(88,000)
net fair value losses	569,985
other operating income	3,039,353
Personnel expenses	3,540,411
other operating expenses	87,121
Finance cost.	<u>20,496,133</u>

### Question 3

(i) Originating and reversing timing differences.

Originating timing difference is the timing difference that occurs for the first time in a situation. while

Reversing timing difference is the timing difference that reverses or changes the originating timing differences from previous accounting periods.

(ii) Current tax and deferred tax

Current tax is the amount of income tax payable or recoverable by an entity or company due to its taxable profit or loss for the accounting period while;

Deferred tax is the amount rather than the tax imposed by the government. It is the tax payable or recoverable in the future accounting periods in relation to transactions that took place.

(B) Importance of Computing and accounting for deferred taxes.

It is important as it recognises a future liability arising from past transactions and events. This can aid and assist companies to decrease their tax liability in the future.

3 c)

JATTE LTD

Profit & loss

Debit		Credit	
Debit			Credit
Debit	17,500	Bank	16,625
		withholding tax	875
	<u>17,500</u>		<u>17,500</u>

Bank withholding tax

Debit		Credit	
Debit			Credit
Debit	17,860	Profit & loss	18,800
	940		
	<u>18,800</u>		<u>18,800</u>

debtore receivable  
Bank

Debit		Credit	
Debit			Credit
withholding tax	875	Debitore	940
	65		
	<u>940</u>		<u>940</u>

debtore receivable  
with

Debit		Credit	
Debit			Credit
Bank	16,625	debtore	17,860
		interest	35,000
	<u>52,860</u>	current tax	<u>52,860</u>

Bank  
Bal c/d

Debit		Credit	
Debit			Credit
Bank	35,000	Current tax	65,000
	65,000	Bal c/d	34,500
	<u>100,000</u>	Profit & loss	<u>100,000</u>

Statement of Profit or Loss.

	₹
Net profit	170,800
Interest Income	17,500
Interest paid	(18,800)
	4 69,200
Capital allowance	
depreciation	38,700
Timing difference	(35,500)
	3700

depreciated amt:  $80\% \times 3200 = 960$

Question 4

Night Ferry Nig Ltd & Light Ferry Nigera Limited.  
and Accounting Books

- (a) Computation and Interpretation  
 (1) Dividend pay-out Ratio

$$\text{Night Ferry} = \frac{\text{DPS}}{\text{EPS}} = \frac{60,850,000}{250,000,000} = 0.2422$$

$$\text{EPS} = \frac{150,000,000 - 32,000,000}{250,000,000} = 0.492$$

$$\text{DPR} = \frac{0.2422 \times 100}{0.492} = 51.3\%$$