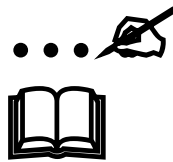


CERTIFICATION COURSE

IN

DIGITAL ACCOUNTING

-SPREADSHEET APPLICATIONS



CASE STUDIES



MODULE 1: SPREADSHEET APPLICATIONS

Case 1- Preparation of Financial Statements & Analysis

Your Client, ABC Ltd informed you of the financial crisis the organization has been experiencing for three years (2017, 2018 and 2019). Despite making profits for these years, the company has been unable to meet matured obligations. The Executive Director is getting frustrated and has concluded that “financial statements are misleading and does not truly help in accurate decision making; the company is not doing well both in terms of profits and liquidity; 2018 performance is better than 2017 and 2019 but we can’t still meet obligations”. He presents to you the following extracts and need advice. He requires a response within One hour for presentation at Management meeting.

BALANCES EXTRACTED FROM BOOKS			
	2017	2018	2019
	\$	\$	\$
Sales Revenue	4,500,000	5,000,000	6,000,000
COGS	1,300,000	1,500,000	2,200,000
Selling Expenses	30,000	21,000	30,500
General Expenses	45,000	32,000	42,000
Lease Expenses	25,000	12,000	22,000
Depreciation Expenses	45,600	30,000	20,000
Interest Expenses	12,000	13,000	23,000
Taxes	26,000	48,000	18,000
Preference Stock Dividends	56,000	10,000	15,000
Cash	500,000	300,000	200,000
Marketable Securities	49,000	18,000	88,000
Accounts Receivable	23,000	17,000	27,000
Inventories	25,000	21,000	41,000
Land and Buildings	3,387,667	3,956,410	5,956,410
Machinery and Equipment	450,000	350,000	450,000
Furniture and Fixtures	54,900	52,000	82,000
Vehicles	23,400	21,000	22,000
Other Assets (Fin. Leases)	12,000	10,000	14,000
Accumulated Depreciation	45,600	75,600	60,500
Other Assets	23,560	19,000	38,000
Accounts Payable	1,101,189	900,000	400,000
Notes Payable	12,300	12,000	15,000
Accruals	34,566	23,460	12,660
Taxes Payable	26,000	48,000	50,000

Other Current Liabilities	32,222	31,200	31,800
Long Term Debt	23,000	19,800	29,200
Preferred Stock	100,000	100,000	100,000
Common Stock of \$1 each	200,000	200,000	200,000
Paid in Capital in Excess of Par	12,450	11,350	22,430

Required: How will you go about this task as a Professional Accountant and Financial Analyst?

Case 2- Statement of Financial Position

Use the following balances extracted from the books of Walmart LLC to Prepare a Statement of Financial Position according to the Provisions of IFRS using Microsoft Excel, for the Period ended 31st December, 2021.

	\$
Inventory	3,000,000
Prepayments	2,000,000
Share capital	15,000,000
Share premium	5,000,000
Bank overdraft	3,000,000
Trade payables	2,000,000
PPE	20,000,000
Intangible assets	10,000,000
Investment property	5,000,000
Loans	8,000,000
Debentures	7,000,000

Case 3- Statement of Comprehensive income

The following data was extracted from the Books of Abuja Plc for the year ended 31st December, 2018.

Revenue	1,170,000
Expenses	750,000
Income tax expense	75,000
Loss for the year from discontinued operations	91,500
<i>Other Comprehensive Income:</i>	
Exchange differences on translation	15,000
Available-for-sale financial assets	7,200
Cash flow hedges	3,600
Gains on property revaluation	24,000
Actuarial losses	2,001
Share of other comprehensive income of associates	1,200
Tax on other comprehensive income	12,000
Other comprehensive income for the year	36,999

Required: Use Excel to Prepare the Statement of Comprehensive Income for the year ended 31st December, 2018, using single approach basis.

Case 4- Bank Reconciliation

The following are the bank statement and cash book of Walmart Llc for the month of February, 2019.

JP Morgan Chase Bank 2232 College Drive, Baton Rouge, Louisiana					
STATEMENT					
Account Name: Walmart Llc			Acct No. 20-00-55 7653246		
CURRENT ACCOUNT			\$	\$	
Date	Details		Dr	Cr	Balance
1-Feb-2019	Balance b/f				387.9
6-Feb-2019	Credit			1,368.48	1,756.38
9-Feb-2019	Cheque No 103568		524.71		1,231.67
11-Feb-2019	Credit			368.36	
	Interest on short-term deposit			208.34	
	Cheque No 103567		1,107.46		700.91
13-Feb-2019	Cheque No 103570		663.45		37.46
18-Feb-2019	Credit			2,004.37	
	Standing Order - ACCSA Fees		400		1,641.83
19-Feb-2019	Cheque No 103571		480.5		1,161.33
24-Feb-2019	Credit			856.09	
	Cheque No 103569		1,035.76		981.66
28-Feb-2019	Bank Interest			4.84	986.5
28-Feb-2019	Balance c/f				986.5

Walmart Llc Cash Book for the Month of February 2019

Date	Cheque No.	Description	Amount N	Date	Cheque No.	Description	Amount \$
		Receipts				Payments	
01/2/19		Opening Balances	387.90	02/2/19	103567	Subscriptions	1,007.46
06/2/19		Tender Fees	1,368.48	09/2/19	103568	Local Travels/transport	524.71
10/2/19		Radiation Fees	368.36	11/2/19	103569	Teaching aid material	1,035.76
17/2/19		Sale of ID Cards	2,004.37	13/2/19	103570	Financial Consulting	663.45
24/2/19		Donations	856.09	17/2/19	103571	IT Consultants	480.50
27/2/19		Levies	648.34	27/2/19	103572	Motor Vehicle Mtce	1,233.80
28/2/19	113460	Investment Income	257.50	28/2/19	103573	Power Plant Mtce	246.58
				28/2/19	103574	Refreshment and Meals	103.64
				28/2/19		Balance c/d	595.14
			5,891.04				5,891.04
03/1/19		Bal b/d	595.14				

NB: Cheque number 103567 has been recorded in the cashbook as \$1,007.46 instead of \$1,107.46.

Required: Prepare the Adjusted Cash book for the month of February 2019 and the Bank reconciliation statement as at February, 2019.

Case 5- NPV Calculation

Mr. Vincent invested ₱5,000,000 on paper manufacturing business with the cost of capital at 10%. The project is to last for 5 years with the following cash flows, ₱1,200,000, ₱900,000, ₱870,000, ₱650,000 & ₱800,000 respectively.

Required: Using Spreadsheet, determine the viability of the project viable.

Case 6- Loan Amortization

An agency obtained a facility from a commercial bank under the following terms and conditions:

- Facility amount: ₱2,000,000
- Tenor: 24months
- Interest rate: 25% p.a (subject to changes in money market conditions)
- Fees: 2.5% flat
- Loan Insurance fee: 1% flat
- Repayment source: Monthly allocation
- Collateral: domiciliation of main account
- Default Clause: if the borrower fails to pay any sum (of principal, interest or otherwise) due or become due hereunder, the Borrower shall be liable to a penalty fee of 1% flat per month on the un-repaid portion on the facility. This fee, which shall be charged on the 1st working day after sum is due, will be in addition to the prevailing temporary overdraft interest rate on the unpaid sum from the date when such payment falls up to the date of payment.

Required: Use Spreadsheet to prepare the Amortization Schedule.

Practice Questions

Question 1

Loan Amortization/ Repayment Schedule

God's own Ltd obtained a facility from a commercial bank under the following terms and conditions:

- Facility amount: N10,000,000
- Tenor: 24months
- Interest rate: 15% p.a (subject to changes in money market conditions)
- Fees: 5% flat
- Loan Insurance fee: 1.5% flat
- Repayment source: Monthly allocation
- Collateral: domiciliation of main account
- Default Clause: if the borrower fails to pay any sum (of principal, interest or otherwise) due or become due hereunder, the Borrower shall be liable to a penalty fee of 5% flat per month on the un-repaid portion on the facility. This fee, which shall be charged on the 1st working day after sum is due, will be in addition to the prevailing temporary overdraft interest rate on the unpaid sum from the date when such payment falls up to the date of payment.

Required: Use Spreadsheet to prepare the Amortization Schedule

Question 2

Mr. Adejare invested ₦10,000,000 on printing of recharge card with the cost of capital at 20% the project is to last for 5 years with the following cash flows, ₦3,200,000, ₦1,100,000 ₦900,000, ₦750,000 & ₦850,000 respectively.

Required: Use Spreadsheet to determine the NPV.

Question 3

The following information relates to a government agency. From the information, prepare cash for the Month of October-December 2012 using Spreadsheet.

- For the 1st quarter allocation, ₦70,000,000 is expected to be received in October, 2012
- Net salaries for the month of October will be ₦10,000,000
- Payment of Union dues of ₦500,000 will be deducted in November 2012

- ☑ IGR expected will be ₦2,000,000 in October and ₦3,000,000 each in November and December
- ☑ Maintenance for Motor Vehicle for October for ₦550, 000 will be paid in November while that of November for ₦750,000 will be paid in December
- ☑ Net salaries for November and December will be ₦12,000,000 each
- ☑ Payment for LPO of ₦150,000 issued for the supply of stationeries in August 2012 will be due in November 2012
- ☑ Tax deductions in October and November 2012 totalling ₦800,000 will be paid in December while that of December and will be paid in January 2013
- ☑ Supplementary allocation of ₦20,000,000 for the last quarter will be received in November 2012.

A new motor vehicle ₦150,000 will be purchased in March 2012

Question 4

Blessing Nigeria Enterprise bought the following fixed Asset on the 30th January 2013. Motor Vehicle, Machinery & Fixture at the rate of 2,000,000, 1,500,000 & 1,000,000 with the Scrap value of 100,000, 250,000 & 48,000 and the expected useful life are 4yrs, 5yrs, & 3yrs respectively.

Required: Calculate the Annual Depreciation using Straight line method.

Thank you for your attention!!!



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