

CORRECTION SECOND CYCLE 2012

ACCOUNTANCY

SECOND CYCLE

1. FILE ONE: TAXATION AND APPROPRIATION OF NET RESULTS

1.1 Calculation of the amount of capital

Account 1013 = 64 584 000

Account 1011 = 13 104 000 - 4 368 000 = 8 736 000

Social Capital = account 1013 + account 1011

Social Capital = 6 458 000 + 1 310 4000

Social Capital = 73 320 000 frs

1.2 Calculation of the number of shares in cash

Capital in kind = $\frac{4368000}{x} = \frac{1}{10}$

Then total in cash = 43 680 000

No of shares in cash = $\frac{43680000}{15600}$

No of shares in cash = 2800shares

Calculation of the number of shares in kind

Capital in kind = total capital - capital in cash

Capital in kind = 73 320 000 - 43 680 000

Capital in kind = 29 640 000

No of shares in kind = $\frac{\text{capital in kind}}{\text{nominal value}}$

No of shares in kind = $\frac{29640000}{15600}$

No of shares in kind = 1900shares

Total number of shares = shares in kind + shares in cash

Total number of shares = 2800 + 1900

Total number of shares = 4700shares

1.3 Calculation of the Taxable Profit

Acc 137 = 42 850 000

Acc 138 = -5 450 000

Taxable profit = 37 40 000frs - 13 986 000 = 23 414 000frs

Taxable profit = 23 414 000frs

1.4 Reconstruction of the Taxable Profit

Elements	Calculations	Amount
Accounting Profit		23 414 000
<u>Reinstatement</u>		
Gifts	200 000	
PTIS = 16% $\frac{70410000}{83.5\%}$	1 386 000	
	6 414 000	
Life insurance	3 000 000	
Goods delivered to costumers not yet inv	1 250 000	
Transport exp to marketing manager	600 000	
Excess interest	5 000 000	
Accounting assistance	17 850 000	17 850 000
Total reinstatement		41 264 000
Intermediary fiscal profit		
<u>Deductions</u>		
Provision written back	3 500 000	
Accounting assistance	4 126 400	
Total deductions	7 626 400	-7 626 400
Fiscal profit		33 637 600

Preliminary calculation

$$\text{Gift} = \frac{0.5}{100} \times 125\,000\,000 = 625\,000$$

$$\text{Excess gift} = 825\,000 - 625\,000 = 200\,000\text{frs}$$

Interest expenses

$$\text{Excess interest} = 1\,500\,000 - 900\,000 = 600\,000\text{frs}$$

$$\text{Deductions for accounting assistance} = \frac{10}{100} \times 41\,264\,000 = 4\,126\,400$$

$$\text{Amount paid for assistance} = 5\,000\,000$$

Therefore we consider the smaller amount of 4 126 400frs

- Company tax = $\frac{38.5}{100} \times 33\,637\,600 = 12\,950\,476 = \frac{1}{10}$

$$\text{Net profit} = 33\,637\,600 - 12\,950\,476\text{frs} = 20\,687\,124$$

1.5 Table of Appropriation

Elements	Calculations	Amounts
Net profit for the period		20 687 124
Brought forward		-1 038 500
Balance		19 648 624
Legal reserve $\frac{10}{100} \times 19648624$		-1 964 862
Distributable profit		17 683 762
Statutory interest		
• Contribution in kind		
$\frac{1900 \times 15600 \times 8 \times 1}{100} = 2371200$		
• Contribution in cash		
1 st call = $\frac{\frac{70}{100} \times 2800 \times 15600 \times 8 \times 1}{100} = 2446080$		
Anticipated payment = $\frac{11700000 \times 4 \times 0.15 \times 8}{1200} = 46800$		
Total statutory interest	5 067 040	
Statutory reserve	4 500 000	
Optimal reserve	12 397 040	-12 397 404
	2 800 000	
Balance		5 286 722
Super dividend = $\frac{5286722}{4700} \div x = 100$		
= $11 \times 100 \times 4700$		-5 170 000
Carried forward		116 722

- Anticipated payment

We know that the account 4616 is only debited when there is a call to set off the amount unanticipated.

$$\text{Let the amount anticipated be } x \text{ frs} = \frac{10}{100} \times x = 1170000$$

$$\underline{\underline{= x = 11700000}}$$

We know that 0.8 of the capital had been called.

= amount anticipated for 2011 = amount paid – amount called

= Fraction anticipated for 2011 = $0.95 - 0.8 = 0.15$

It was paid in 2011 before the other part of cash were paid on 1/5/2011

= For 2011, the 0.15 was there for four months before the other called was paid on 1/05.2011.

FILE 2 INCREASE OF CAPITAL

2.1 Number of shares before the increase of capital

Total capital after increase (166%) = 120 000 000

Capital before increase = $\frac{120000000}{160} * 100$

Capital before increase = 75 000 000frs

2.2 Calculation of the number of shares increased

No of shares before increase = 5000shares

No of shares after increase = 8000shares

No of shares increased = no of shares after increase – no of shares before increase

= no of shares after increase = 8000 – 5000

No of shares increased = 3000shares

Calculation of the number of bonus shares

$\frac{5AR}{5000AR} = \frac{1N''}{xN''} \rightarrow$ No of shares = $\frac{5000}{5}$

No of bonus shares = 1000shares

2.3 Calculation of the math value before the double increase of capital new assets

Net assets	=	capital 5000 x 15000	= 75 000 000
		Legal reserves	= 4 000 000
		Optional reserves	= 8 000 000
		Retained earnings	= 700 000
		Net assets	= 87 700 000

$MVI = \frac{87700000}{5000} = 17540FRS$

MVI = 17540FRS

2.4 Calculation of the subscription and the attribution right

- Calculation of MV2 after the double increase

= Net asset before increase

= 5000 x 17540 = 87700000

- Original establishment expenses = -2 700 000

+ Capital increase = 45 000 000(120 000 000 – 75 000 000)

+ Issue premium = 3 800 000

Net asset after increase = 133 800 000

Number of new shares = 8000

$$MV2 = \frac{13800000}{8000} = 16725$$

$$\text{Sum of rights} = MV1 = MV2 = 1745 - 16725 = 825\text{FRS}$$

$$SR = (MV2 - EP) \times \frac{N''}{N}$$

$$SR = (16725 - 16267) \times \frac{3000}{5000} = SR = 247.8\text{frs}$$

$$AR = \text{Sum of rights} - SR$$

$$= AR - 815 - 274.8 = AR = 540.2\text{frs}$$

$$\text{Where } EP = 3\,000 \times 15\,000 = 45\,000\,000$$

$$\text{Issue premium} = \frac{380000}{48800000}$$

$$EP = \frac{48800000}{3000} = EP = 1626\text{FRS}$$

FILE THREE: SUPPLY BUDGET

3.1 Calculation of the monthly consumption of RM A

Period (Months)	Calculations	Monthly Consumption
January	$1000 \times 2 + 600 \times 0.5$	2300
February	$1200 \times 2 + 800 \times 0.5$	2800
March	$1500 \times 2 + 900 \times 0.5$	3450
April	$1250 \times 2 + 700 \times 0.5$	2850
May	$1300 \times 2 + 850 \times 0.5$	3025
June	$1400 \times 2 + 750 \times 0.5$	3175
July	$1500 \times 2 + 800 \times 0.5$	3400

3.1 Calculation of the monthly consumption of RM B

Period (Months)	Calculations	Monthly Consumption
January	$1000 \times 3 + 600 \times 1 + 400 \times 0.5$	2300
February	$1200 \times 3 + 800 \times 1 + 500 \times 0.5$	2800
March	$1500 \times 3 + 900 \times 1 + 0.5 \times 0.5$	3450
April	$1250 \times 3 + 700 \times 1 + 0.5 \times 0.5$	2850
May	$1300 \times 3 + 850 \times 1 + 0.5 \times 0.5$	3025
June	$1400 \times 3 + 750 \times 1 + 0.5 \times 0.5$	3175
July	$1500 \times 3 + 800 \times 1 + 0.5 \times 0.5$	3400

3.3 Presentation of supply budget for raw material A

We know that the reorder quantity for raw material A = 5500kg

Therefore the ordering period will be varying

- Requirement (needs for delivery = consumption + safety stock)

Supply budget for raw material A

Elements	Months					
	Jan	Feb	March	April	May	June
Stock without repl	3500	1200	3900	5950	3100	5575
Replenishment	-	5500	5500	-	550	-
Stock with repl	3500	6700	9400	5950	8600	5575
Demands	2300	2800	3450	2850	4025	4175
Requirement	3300	3800	4450	3850	4025	4175
Closing stock	1200	3900	5950	3100	5575	2400
Ordering stock	21/1/12	21/2/12	-	21/4/12	-	-
Delivery date	-	1/2/2	1/3/12	-	1/5/12	-

A month is considered 30 days

= Deliveries are done at the start of each month

Orders are place 10 days before the deliveries are made

= 1st order is received on the 1st of February, hence to calculate the ordering date, we back date

10 days

= 1st ordering date = 21/01

Supply budget for RM B

Here, we have the case of constant ordering period with varying quantities. The quantity = 2 months needs (requirement)

For the calculation of recruitment (needs)

Requirement = Monthly consumption + safety stock

To calculate safety stock = comparing the average consumption to the safety duration

= Average monthly consumption = $(4200 + 51500 + 6090 + 5020 + 5530 + 5610)/6$

= Average monthly consumption = $5266.6 \approx 5267$ units

We know that 5267units = 30 days

Safety stock x units = 24 days

$$= x = \frac{5264 \times 24}{30} = x = 4213.4 \approx 4214 \text{ units}$$

Supply budget

Elements	Months					
	Jan	Feb	March	April	May	June
Stock without repl	2500	16078	10928	4838	18796	1326
Replenishment	17778	-	-	18978	-	-
Stock with repl	20278	16078	10928	23816	18796	1326
Demands	4200	5150	6090	5020	5530	5610
Requirement	8414	9364	10304	9234	9744	9824
Closing stock	16078	10928	4838	18796	1326	7565

FILE FOUR: COST - VOLUME PROFIT ANALYSIS

4.1 Calculation of the deferential operating table

Elements	Calculations	Amount	%
Sales value	6000 x 15 000	90 000 000	100
Variable Cost			
Raw material	3 x 6000 x 1750 = 31 500 000		
Direct labour	0.25 x 9000 x 6000 = 13 500 000		
Indirect labour	0.25 x 6000 x 6000 = 9 000 000		
Total variable cost		54 000 000	60
Contribution Margin		36 000 000	40
Fixed Cost		22 150 000	
Results		13 850 000	

4.2 Calculation of the break-even point (BEP)

$$\text{BEP in value} = \frac{FC}{CMr}$$

$$\text{BEP in value} = \frac{22150000}{0.4}$$

$$\text{BEP in value} = 55\,375\,000\text{frs}$$

$$\text{BEP in units} = \frac{\text{BEP in value}}{\text{Unit sales value}}$$

$$\text{BEP in units} = \frac{55375000}{15000}$$

$$\text{BEP in units} = 3692 \text{ Units}$$

$$\text{BEP date} = \frac{\text{BEP in value} \times 360}{\text{sales value}}$$

$$\text{BEP date} = \frac{55375000 \times 3600}{90000000}$$

BEP date = 221.5 days

BEP date = 12th August 2012

4.3 Graph of the BEP

4.4 Calculation and graphing of new BEP

New differential operating table

Elements	Calculations	Amount	%
Sales value.....		90 000 000	100
<u>Variable Cost</u>			
Raw material	3 x 6000 x 2500 = 45 000 000		
Direct labour	0.25 x 9000 x 6000 = 13 500 000		
Indirect labour	0.25 x 6000 x 6000 = 9 000 000		
Total variable cost		(67 500 000)	-75
Contribution Margin		22 500 000	25
Fixed Cost		(22 150 000)	
Results		350 000	

4.2 Calculation of the break-even point (BEP)

$$\text{BEP in value} = \frac{FC}{CMr}$$

$$\text{BEP in value} = \frac{22150000}{0.25}$$

$$\text{BEP in value} = \underline{\underline{88\,600\,000\text{frs}}}$$

$$\text{BEP date} = \frac{\text{BEP in value} \times 12}{\text{sales value}}$$

$$\text{BEP date} = \frac{88\,600\,000 \times 12}{90000000}$$

$$\text{BEP date} = 11\text{months } 12\text{ days}$$

$$\text{BEP date} = 354\text{ DAYS}$$

$$\text{Date of BEP} = \underline{\underline{25^{\text{TH}} \text{ December } 2012}}$$