

LISBOA SCHOOL OF ECONOMICS & MANAGEMENT

Degrees in
MANAGEMENT AND ECONOMICS



ACCOUNTING 1

Cases – Part 1
2017/2018

Case 1

Cosmetics S.A. is a company that sells hygiene and beauty products. It was established in January of year N with the following elements (in Euros):

Cash	290
Debt to supplier "Essências, Lda"	30,000
Demand bank deposit at Santander	57,400
Debt from customer "Perfumaria Alfa, S.A."	10,600
Vehicle 76-00-HM	30,500
Computers	4,250
Obtained loan (medium to long term) from Caixa Geral de Depósitos	162,500
Basic equipment	157,500
Soaps	10,500

Requested:

- a) Identify which of these elements are assets or liabilities;
- b) Calculate the amount of total assets and total liabilities;
- c) Calculate the amount of total equity;
- d) Present the opening Balance Sheet.

Case 2

Cosmetics S.A. presented the following Balance Sheet at the end of August of year N (in Euros):

Cosmetics, S.A. Balance Sheet

ASSETS	
Non-current Assets	
Fixed Tangible Assets	182,250
Current Assets	
Trade Accounts Receivable	13,250
Cash and Banks	27,750
Total Assets	223,250
EQUITY	
Subscribed capital	148,540
Net Income	(35,790)
Total Equity	112,750
LIABILITIES	
Non-current Liabilities	
Obtained Loans	72,500
Current Liabilities	
Trade Accounts Payable	38,000
Total Liabilities	110,500
Total Liabilities and Equity	223,250

In September of year N, the following events occurred:

1. Receipt from customer "Perfumaria Alfa, S.A.": €10,600;
2. Payment to supplier "Essências, Lda": €30,000;
3. Purchase and payment of office supplies for the accounting department: €150;
4. Receipt of interests on a term deposit (set up last month): €60;
5. Signature of a monthly services contract with a new client starting on November 15th of year N.
6. Consumption and payment of electricity: €750;
7. Purchase of inventories, on account: €2,500;
8. Sale and receipt of payment regarding the above mentioned inventories: €3,500.

Requested:

- a) Describe the change in the value of the patrimony of the company after each event. Also, classify each event as qualitative, quantitative or extra;
- b) Present the Balance Sheet after the events occurred in September of year N.

Case 3

The table on the next page shows SONAE SGPS, S.A. Consolidated Balance Sheet at December 31, 2016 and the comparative year (in Euros).

The company prepares its financial statements according with the International Financial Reporting Standards (IFRS) adopted by the European Union.

Requested:

- a) Identify the Balance Sheet's reporting period;
- b) Identify the display format of the Balance Sheet;
- c) Characterize the presentation form of the assets, liabilities and equity elements;
- d) Present examples for current assets, non-current assets, current liabilities and non-current liabilities.

Consolidated Balance Sheet on December 31, 2016 and 2015

In Euro

	Notes	2016	2015 Restated
Assets			
Non-Current			
Tangible assets	8	1,612,469,478	1,543,114,788
Intangible assets	9	373,509,488	269,141,349
Investment property		879,263	919,609
Goodwill	10	653,752,668	605,583,709
Investments in joint ventures and associates	11	1,362,270,890	1,214,889,100
Other investments	7 and 12	20,784,450	29,549,661
Deferred tax assets	19	61,360,744	64,094,618
Other non-current assets	7 and 13	19,226,166	31,610,627
Total non-current assets		<u>4,104,253,147</u>	<u>3,758,903,461</u>
Current			
Inventories	14	696,297,968	634,764,894
Trade Accounts Receivable	7 and 15	116,003,860	96,177,303
Other debtors	7 and 16	83,961,449	78,506,544
Taxes recoverable	17	70,525,818	78,953,427
Other current assets	18	76,911,316	88,000,741
Investments	7 and 12	4,369,022	82,430,974
Cash and cash equivalents	7 and 20	340,920,458	282,751,583
Total current assets		<u>1,388,989,891</u>	<u>1,341,585,466</u>
Non-current assets held for sale	21	19,522,549	131,044,138
Total Assets		<u>5,512,765,587</u>	<u>5,231,533,065</u>
Shareholders' equity			
Share capital	22	2,000,000,000	2,000,000,000
Own shares	22	(114,738,086)	-123,493,932
Legal reserve		244,211,592	244,211,592
Reserves and retained earnings		(450,881,147)	-637,533,495
Profit/(loss) for the period attributed to the equity holders of the Parent Company		215,073,949	175,306,228
Equity attributed to the equity holders of the Parent Company		1,893,666,308	1,658,490,393
Equity attributed to non-controlling interests	23	170,771,866	136,303,721
Total shareholders' equity		<u>2,064,438,174</u>	<u>1,794,794,114</u>
Liabilities			
Non-Current			
Loans	7 and 24	507,884,174	566,306,612
Bonds	7 and 24	695,803,279	697,562,099
Obligation under finance leases	7, 24 and 25	1,463,520	3,231,481
Other loans	7 and 24	4,676,660	5,764,682
Other non-current liabilities	7 and 27	21,557,388	36,028,880
Deferred tax liabilities	19	114,370,917	78,832,522
Provisions	32	25,848,118	39,710,058
Total non-current liabilities		<u>1,371,604,056</u>	<u>1,427,436,334</u>
Current			
Loans	7 and 24	350,365,080	258,655,767
Bonds	7 and 24	7,998,517	49,962,081
Obligation under finance leases	7, 24 and 25	1,079,629	3,691,782
Other loans	7 and 24	1,769,184	1,953,298
Trade creditors	7 and 29	1,136,655,247	1,161,697,200
Other creditors	7 and 30	200,640,232	199,513,809
Taxes and contributions payable	17	91,929,635	92,269,879
Other current liabilities	31	271,000,382	238,474,811
Provisions	32	3,558,708	3,083,990
Total current liabilities		<u>2,064,996,614</u>	<u>2,009,302,617</u>
Non-current liabilities held for sale	21	11,726,743	
Total Liabilities		<u>3,448,327,413</u>	<u>3,436,738,951</u>
Total shareholders' equity & liabilities		<u>5,512,765,587</u>	<u>5,231,533,065</u>

To be read with the Notes to the Consolidated Financial Statements

Case 4

Alfa S.A. is a company that sells sports goods. This company was founded in the beginning of March of year N with the following elements (in Euros):

Cash	2,500
Warehouse	1,500,000
Football balls	350,000
Transport equipment	55,000
Trade accounts receivable	25,000
Computers	10,000
Bank Loans (5 years)	800,000
Trade accounts payable	220,000
Term deposit	12,000

Requested:

- a) Identify which of these elements are assets or liabilities;
- b) Calculate the amount of total assets and total liabilities;
- c) Calculate the amount of equity;
- d) Present the opening balance sheet.

Case 5

“Yellow Submarine” registered the following events during March of year N:

1. Bank loan of €25,000. The amount was deposited in the company’s bank account;
2. Purchase and payment of transport equipment: €25,000;
3. Purchase and payment of a printer: €150;
4. Invoice for consulting services rendered by the company: €5,000;
5. Purchase of an iPad, on account: €540;
6. Purchase and payment of office supplies: €280;
7. Processing and payment of salaries to employees: €4,000;
8. At the end of the month, payment of bank loan’s interests: €150;
9. Receipt for services rendered to a client: €10,000;
10. Payment of March’s electricity, water and communication invoices: €1,200.

Requested:

- a) Describe the change in the value of the patrimony of the company after each event. Also, classify each event as qualitative, quantitative or extra.

Case 6

Company “Euro 4002, Lda” is in the business of importing and selling several football related products (balls, scarves, hats, key-rings, etc....). The company was established in January, 1st of year N, with a capital of €250,000, fully paid-up at the same date.

During the year the following transactions occurred:

1. Purchase of 3,000 balls at €15 each. Payment in 30 days;
2. Obtained a bank loan: €25,000;
3. Purchase of office equipment: €20,000. Immediate payment of 50% through bank transfer. The remainder will be paid in 30 days;
4. Sale of 1,000 balls for €25,000, on account;
5. Purchase and payment of office supplies: €100;
6. Gomes Family, shareholder of the company, sold to A. Costa all of its shares for €60,000;
7. Receipt of the amount in transaction 4;
8. Processing and payment of salaries: €7,500;
9. Payment of bank loan’s interests: €1,500.

Requested:

- a) Classify the events as qualitative, quantitative or extra-patrimonial events;
- b) Present the Balance Sheet at December, 31st of year N.

Case 7

Company "RODAVIVA, Lda" was established in January, 2nd of year N with capital of €50,000, fully subscribed and paid-up by its founding owner - Mr. Joaquim Silva and his wife.

The following information is available regarding the company's first year of activity (in Euros):

▪ Bank demand deposits' balance at 01/02/N	50,000
▪ Purchase of inventories, on account	74,900
▪ Sale of inventories on account*	55,000
▪ Bank loans at 12/31/N	25,000
▪ Payments to suppliers	41,900
▪ Receipts from clients	12,000
▪ Purchase of administrative equipment on account	12,500
▪ Miscellaneous consumption expenses (and payment)	4,000
▪ Employee related expenses (and payment)	7,500
▪ Purchase and payment of 2 vehicles	25,000

* Sales pertain to 50% of the inventories previously purchased

Requested:

- a) Present the Balance Sheet at December, 31st of year N.

- b) Comment the following sentence "*The patrimony of a company matches its equity. Hence its value is always positive*".

Case 8

Identify the concepts of expense, revenue, obligation to pay, right to receive, payment and receipt in the following events of year X:

1. On January, 12th the company purchased inventories on account. The established price was €3,500. The average payment period is 90 days;
2. In January, the company paid the electricity invoice of December: €375;
3. In April, the company bought a computer for €1,750. The payment was agreed as follows: immediate payment of 40% and the remainder in 90 days;
4. In September, the company sold inventories on account for the price of €7,500. The cost of inventories was €5,000. The average receipt period is 90 days;
5. In October, the company received the November's rent of a warehouse (rent to a third party);
6. In October, the company processed and paid salaries: €15,000;
7. On September, 1st the company received interests on an annual term deposit: €1,000;
8. On September, 30th the company paid interests on a bank loan: €12,000.

Case 9

Identify the concepts of expense, revenues, obligation to pay, right to receive, payment and receipt in the following events that occurred in June of year X:

June, 20th – Purchase of raw materials

Price: €1,000,000

Payment: in 30 days.

June, 22nd – Cash sale of finished products

Sale price: €1,050,000

Cost of goods sold: €850,000.

June, 23rd – Cash purchase of office supplies: €29,752

June, 24th – Purchase of a bulldozer for €15,000.

The company paid €5,000 on delivery by check. The remainder will be paid in 60 days.

June, 28th – Purchase and payment of 250 of Bemhaja, S.A.'s shares at €17 each on the stock exchange.

June, 29th – Payment of June's salaries.

Case 10

XLM, Lda is a company that buys and sells office supplies. Its Balance Sheet on January, 1st of year N was as follows (in m€):

Balance Sheet - XLM

	Value
Assets	
Non-current Assets	
Intangible Assets	550
Fixed Tangible Assets	4,780
Current Assets	
Inventories	1,300
Trade accounts receivable	400
Cash and Banks	300
Total Assets	7,330
Equity and Liabilities	
Equity	
Subscribed Capital	1,000
Reserves	
Retained Earnings	300
Total Equity	1,300
Current Liabilities	
Trade accounts payable	4,775
Public Sector	1,255
Loans	
Other accounts payable	
Total Liabilities	6,030
Total Equity and Liabilities	7,330

After that date and during January of year N the following transactions occurred (in m€):

1. Cash deposit in Bank B1: 80;
2. Receipt from client C8: 150;
3. Sale of inventories for 1,200. Immediate receipt of 60% of the total amount. The cost of goods sold was 1,000;
4. Bank loan obtained from Bank B1, for 180 days, in the amount of 2,200. Loan interests charged were 61;
5. Payment to suppliers and to the Public Sector, of 1,775 and 504, respectively;

6. Invoice for energy consumption and payment in relation to the current month: 22;
7. Invoice for petrol and payment, in cash: 82;
8. Invoice from S10 for equipment EQ1 repair service: 102;
9. Invoice from S12 for imaging services: 10;
10. Deposit in Bank B1 of clients' checks, not discounted: 630;
11. Subscription and payment of 35% of ONE, Lda's capital: 1,000;
12. Services provided to third parties, immediately paid for in cash: 1,020;
13. Processing and payment of salaries: gross value of 920 and discounts to be borne by employees ("IRS", Social Security) of 98;
14. Purchase of inventories, on account: 500;
15. Cash sale of an equipment for 200. It was recorded at a cost of 100.

Requested:

- a) Classify the events as qualitative, quantitative or extra-patrimonial events.
- b) Present the Balance Sheet and the Net Income Statement at January, 31st of year N (note: assume that the corporate income tax is null).

Case 11

In relation to company Alfa, Lda, the following elements are known (in Euros):

Cost of goods sold	120,000
Sales	585,000
External supplies and services expenses	63,200
Depreciation and amortization expenses	16,200
Staff expenses	89,500
Financial expenses	14,600
Tax (on net income)	2,750

Requested:

- a) Present the Income Statement (by nature);

- b) Explain the differences between Net Income and EBITDA.

Case 12

Company "TANTAINCOGNITA, Lda" presented the following information at December, 31st of year N (in Euros):

	Amount
Sales	890,500
Financing revenues	13,000
Cost of goods sold	R
External supplies and services expenses	89,000
Staff expenses	130,000
Depreciation and amortization expenses	2,000
Financing expenses	S
EBITDA	T
Operating Income	U
Net Financing Revenues / Expenses	-7,500
Income before income tax	V
Income tax expense	X
Net Income for the period	Z

Knowing that the company uses a markup of 30% (markup is the percentage of the cost price you add on to get the selling price) and that the income tax rate is 27.5%, calculate the variables and justify the calculations.

Case 13

Classify each item as operating activity, investing activity or financing activity.

1. Receipt of funds from the shareholders;
2. Receipt of funds from a bank loan;
3. Check issued to pay for land;
4. Receipt from sales;
5. Payment of salaries;
6. Payment to suppliers;
7. Payment to suppliers of administrative equipment;
8. Payment of income tax;
9. Bank transfer for the payment of social security and of "IRS";
10. Payment of dividends;
11. Payment of bank loan's interests.

Case 14

In October, company Alfa registered the following transactions:

1. Loan obtained and deposited in the company's bank account: €25,000;
2. Purchase of a passenger transport vehicle, on account: €25,000;
3. Cash acquisition of a printer: €150;
4. Issue of an invoice regarding the monthly sales: €5,000;
5. Cash purchase of a computer: €540;
6. Cash purchase of office supplies: €280;
7. Payment of October's salaries: €4,000;
8. Payment of October's bank loan interests: €150;
9. Receipt from a client for services rendered: €10,000;
10. Electricity, water and communication invoices regarding October's consumption: €1,200.

Requested:

- a) Determine cash flows from operating activities;
- b) Determine the cash flows from investing activities;
- c) Determine the cash flows from financing activities;
- d) Assuming that the amount of cash and deposits at the beginning of the month was €5,450, determine the amount of cash and deposits at the end of the month.

Case 15

In November, company BETA recorded the following transactions:

1. Capital increase by cash fund raising: €150,000;
2. Payment to trade suppliers: €37,500;
3. Sale of inventories, on account: €75,000;
4. Receipt of interests from a 2-year term bank deposit: €3,750;
5. Payment of income tax: €2,750;
6. Acquisition of company ZETA's capital for €75,000. The firm immediately paid 20% of the amount in cash;
7. Cash purchase of administrative equipment: €65,000;
8. Cash and banks at the beginning of the month: €10,000.

Requested:

Present BETA's Cash Flow Statement.

Case 16

The main items of HEAVYREADING, Lda's financial statements from December 31st, 2016 and 2015 are shown in the table below (in Euros):

	2016	2015
Balance Sheet		
Assets		
Non-current assets		
Fixed Tangible Assets	H	A
Investment properties	500,000	B
Current assets		
Trade accounts receivable	370,000	170,000
Cash and Banks	100,000	60,000
Total Assets	I	1,030,000
Equity		
Subscribed Capital	J	400,000
Reserves	30,000	
Retained Earnings	K	
Net Income	L	C
Liabilities		
Trade accounts payable	450,000	D
Public Sector	100,000	50,000
Accounts payable - owners	20,000	
Total of Equity and Liabilities	1,300,000	E
Net Income Statement		
Revenues	1,650,000	1,500,000
Expenses	M	1,350,000
Net Income	200,000	F
Change in Equity Statement		
Initial Balance	550,000	400,000
Plus:		
Net Income	200,000	F
Less:		
Dividends	N	
Final Balance	730,000	550,000
Cash Flow Statement		
Operating activities cash flow	250,000	120,000
Investing activities cash flow	-50,000	-340,000
Financing activities cash flow	O	280,000
Variations in cash (in the period)	40,000	60,000
Cash and equivalents at the beginning of the period	60,000	0
Cash and equivalents at the end of the period	P	G

Additional information:

Fixed Tangible Assets increased in 2016 by €30,000.

Investment properties and capital did not change during the year.

Requested:

- a) Calculate variables A to P;
- b) In 2016, did the cash inflow exceed the cash outflow? Comment;
- c) Comment on the negative nature of the investing activities' flow.

Case 17

MarFlat, is a small firm that sells *bodyboarding* equipment. The following table presents financial information at December 31st, of year N (in Euros):

Items	Amount
Trade accounts payable	47,000
Trade accounts receivable	3,200
Staff Expenses	8,750
Subscribed capital	10,400
Cost of goods sold	47,600
Depreciation expenses	2,700
Inventories	39,200
Fixed Tangible Assets – Administrative Equipment	42,700
Obtained Loans	52,850
Intangible Assets	18,500
Other accounts payable	200
Other accounts receivable	1,300
Deposits	8,400
Retained Earnings	24,450
Sales	74,550
External supplies and services expenses	37,800
Public Sector – taxes to pay	700

Requested:

- a) Classify items as Assets, Liabilities, Equity, Expense or Revenue, and indicate their respective amount;
- b) Prepare the Net Income Statement at December 31st of year N;
- c) Prepare the Balance Sheet at December 31st of year N, knowing that 25% of the Obtained Loans will mature in the next 12 months.

Case 18

Regarding each of the following questions indicate (with a circle) the correct answer:

1. Which of the following statements is false?

- a. The balance sheet and the income statement are the major financial statements of the financial reporting process;
- b. The balance sheet is mainly a picture of the patrimony of the company/entity in a given date (at least at the end of the calendar year);
- c. The income statement reports the performance of the company/entity in a given reporting period;
- d. The balance sheet shows comparative data from the previous period, whereas in the income statement such a comparison is not applicable.

2. The Balance Sheet does not present:

- a. Fixed tangible assets;
- b. Equity;
- c. Operating result;
- d. Retained earnings.

3. The Income Statement does not present:

- a. Sales;
- b. Retained Earnings;
- c. Staff expenses;
- d. Amortization and depreciation expenses.

4. Assets are equal to:

- a. Equity;
- b. Liabilities minus Equity;
- c. Liabilities plus Equity;
- d. Liabilities plus Retained Earnings.

5. Income is the difference between:

- a. Assets and Liabilities;
- b. Assets and Equity;
- c. Assets bought with money from the owners and the money lent by banks;
- d. Revenues and expenses.

6. Which of the following is a necessary requirement for an item to be considered an asset?

- a. Ability to generate future economic benefits;
- b. Ownership;
- c. Tangibility;
- d. All of the above.

7. Equity can be divided in:

- a. Capital, retained earnings and reserves;
- b. Capital, retained earnings and distributed earnings;
- c. Capital, net income, retained earnings and reserves;
- d. Capital, retained earnings, distributed earnings, net income and operating income.

8. The acquisition in cash of equipment will:

- a. Increase equity and liabilities;
- b. Decrease equity and liabilities;
- c. Increase equity and assets;
- d. Does not have a net effect in the total value of assets.

9. Which of the following will decrease total assets?

- a. Sale of inventories with profit;
- b. Payment of a parking fee;
- c. Cash acquisition of inventories;
- d. Acquisition of equipment, on account;
- e. Purchase of investment properties in an auction.

10. If in a given period, assets decrease by €24,000 and equity increase by €8,000, what will happen to liabilities?

- a. Increase by €16,000;
- b. Decrease by €42,000;
- c. Increase by €32,000;
- d. Decrease by €24,000;
- e. None of the above.

11. The goal of the financial statements is to provide useful information for decision making to a vast set of users, including information regarding:

- a. The financial position, financial performance and cash flows;
- b. The financial position and cash flows;
- c. The financial performance and cash flows;
- d. The composition and value of the patrimony.

12. The preparation of financial statements has two underlying assumptions:

- a. Accrual Basis and Cash Basis;
- b. Cash Basis and Going Concern;
- c. Going Concern and Economic Substance over Legal Form;
- d. Accrual Basis and Going Concern.

13. An item is recognized as a liability, if:

- a. It is probable that an outflow of resources embodying economic benefits will derive from the settlement of the obligation;
- b. It is probable that an outflow of resources embodying economic benefits will derive from the settlement of the liability and that the amount to be settled can be measured reliably;
- c. The amount to be settled can be measured reliably;
- d. Depending on the amount of the obligation.

14. Which of the following is correct?

- a. The balance sheet allows the quantification of cash inflows and cash outflows;
- b. The cash flow statement allows the quantification of obligations to pay and rights to receive;
- c. The income statement explains how the net income was obtained by indicating the amount of revenues and expenses;
- d. The equity variation statement shows the changes that occurred in the cash flows.

15. The Cost of Goods Sold is part of:

- a. The Cash flow statement;
- b. The Income statement by nature;
- c. The Balance Sheet;
- d. The Income statement by functions.

16. A variation in Equity may be caused by:

- a. A capital increase;
- b. Net income of the period;
- c. Distribution of dividends;
- d. All of the above.

17. Which one of the following should be classified as an investment flow?

- a. Payment to supplier: €32,580;
- b. Cash purchase of inventories: €20,000;
- c. Acquisition of a passenger transport vehicle, on account: €18,500;
- d. Payment to the basic equipment supplier: €15,050.

18. The display format of the Balance Sheet, according to "Portaria n^{er} 986/2009, of September 7th" is:

- a. Horizontal display;
- b. Vertical display;
- c. Matrix display;
- d. Free display.

19. According to the following data: Non-current assets: €4,100; Inventories: €350; Accounts receivable: €180; Cash and Banks: €650; and Accounts payable: €280, calculate the amount of Equity:

- a. €5,560;
- b. €5,280;
- c. €5,100;
- d. €5,000.

Case 19

XLM, Lda is a company that buys and sells office supplies. Its Balance Sheet on January 1st of year N was as follows (in m€):

Balance Sheet of XLM		Value
Assets		
Non-current Assets		
Intangible Assets		550
Fixed Tangible Assets		4,780
Current Assets		
Inventories		1,300
Trade accounts receivable		400
Cash and Banks		300
Total Assets		7,330
Equity and Liabilities		
Equity		
Subscribed capital		1,000
Reserves		
Retained Earnings		300
Total Equity		1,300
Current Liabilities		
Trade accounts payable		4,775
Public Sector		1,255
Loans		
Other accounts payable		
Total Liabilities		6,030
Total Equity and Liabilities		7,330

After that date and during January of N the following events occurred (in m€):

1. Cash deposit in Bank B1: 80;
2. Receipt from client C8: 150;
3. Sale of inventories for 1,200. Immediate receipt of 60% of the total amount. The cost of goods sold was 1,000;
4. Bank loan obtained from Bank B1, for 180 days, in the amount of 2,200. Loan interests charged were 61;

5. Payment to suppliers and to the Public Sector, of 1,775 and 504, respectively;
6. Invoice for energy consumption and payment in relation to the current month: 22;
7. Invoice for petrol and payment, in cash: 82;
8. Invoice from S10 for equipment EQ1 repair service: 102;
9. Invoice from S12 for imaging services: 10;
10. Deposit in Bank B1 of clients' checks, not discounted: 630;
11. Subscription and payment of 35% of ONE, Lda's capital: 1,000;
12. Services provided to third parties, immediately paid for in cash: 1,020;
13. Processing and payment of salaries: gross value of 920 and discounts to be borne by employees ("IRS", Social Security) of 98;
14. Purchase of inventories, on account: 500;
15. Cash sale of an equipment for 200. It was recorded at a cost of 100.

Requested:

- a. Record the transaction in the Journal;
- b. Prepare the General Ledger;
- c. Prepare the Trial Balance.

Case 20

At the end of year N, company Alfa presented the following trial balance (in Euros):

Accounts	Debit Balance	Credit Balance
Cash	650	
Bank deposits	1,050	
Intangible Assets	5,600	
Public Sector		2,650
Interests paid	1,650	
Trade accounts receivable	65,300	
Cost of goods sold	81,500	
External Supplies and Services	32,760	
Staff expenses	19,600	
Inventories	15,500	
Fixed Tangible Assets	41,650	
Capital		10,000
Retained Earnings	1,750	
Trade accounts payable		58,000
Obtained Loans		54,650
Sales		152,290
Other accounts payable or receivable	10,580	
<i>Total</i>	277,590	277,590

Requested:

- a) Prepare the Balance Sheet;
- b) Prepare the Net Income Statement.

Case 21

Company Alfa presented the following financial information (in Euros):

Demand bank deposits: 1,850€;
External supplies and services expenses: 520,000€;
Advanced payments to suppliers: 20,000€;
Intangible assets: 5,500€;
Trade accounts receivable: 300,000€;
Fixed tangible assets: 3,000,000€;
Depreciation expenses: 180,000€;
Advanced payments from Customers: 10,000€;
Obtained loan (5-year term): 100,000€;
Trade accounts payable: 50,000€;
Provisions: 25,000€;
Financing expenses: 310,000€;
Public Sector – VAT to be paid: 24,000€;
Inventories: 200,000€;
Other accounts payable: 35,000€;
Staff – Salaries and wages payable: 105,000€
Sales: 2,850,000€;
Provisions of the period: 290,000€;
Cost of goods sold: 1,312,500€;
Staff expenses: 650,000€.

Calculate:

- a) Total assets;
- b) Total liabilities;
- c) Earnings before interests and taxes;
- d) Earnings before taxes.