MITSUKOSHI MOTORS PHILIPPINES, INC.		
POLICY AND PROCEDURE		
POLICY TITLE :	BOOK VALUE COMPUTATION	Ref. No.
DEPARTMENT	ACCOUNTING DEPARTMENT	ACT-16-01-011
TO :	MA / CASHIER / BM	

OBJECTIVE

1. To standardize the process of computing the Book Value of a repossessed motorcycle.

2. To guide the branch in determining the Monthly Installment and Promissory Note Value (PNV) of a repossessed motorcycle unit sold on installment basis based on its book value and approved term.

POLICIES

1. Repossessed motorcycle unit with book value of P 10,000 and below shall be sold on **Cash Basis** only and will not be accommodated for installment sales.

2. In the book value computation, account set up of the **Last Customer** will be the basis in determining the Amount to be Financed (ATBF), Terms and No. of Months paid.

3. The refinancing of repossessed motorcycle shall be based on book value pegged @ 1.25% interest rate **EXCEPT** for units with ages six-(6) months and below (according to SI Date) which should be pegged @ 1.48% interest rate or must be disposed through Assumption Scheme.

PROCEDURE

1. Determine the Amount to be Financed (ATBF), Terms and No. of Months Paid from account set up of the last customer.

2. Formula:

    2.1 Net M.I. = ATBF ÷ Terms

    2.2 Total Net M.I. = Net M.I. x No. of Months Paid

    2.3 Book Value = ATBF – Total Net M.I.

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3. Book Value sample computation:

   3.1 Given:

ATBF	26, 000
Terms	30
No. of Mos. Paid	6

   3.2 Net M.I. $=$ $26,000 \div 30$
                    $=$ 866.67
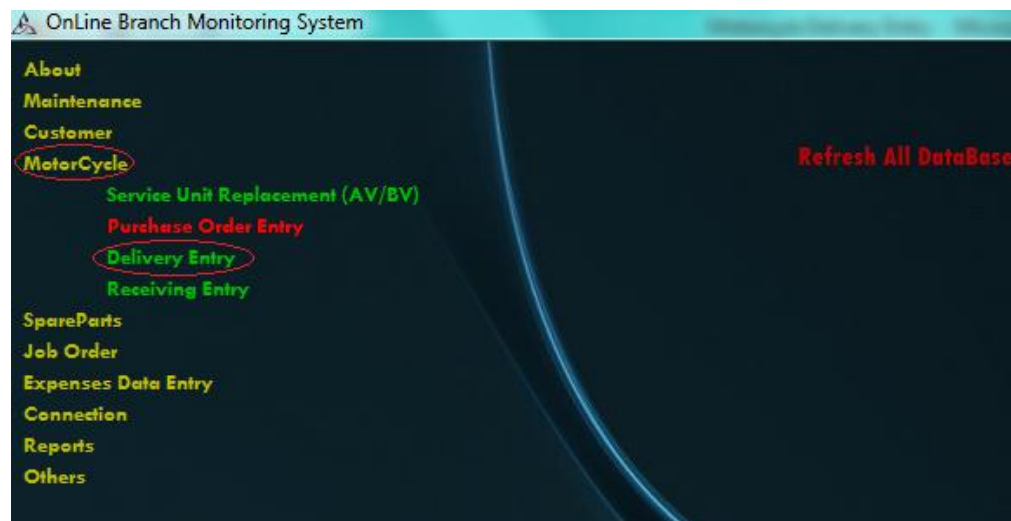
   3.3 Total Net M.I. $=$ 866.67×6
                      $=$ 5, 200

   3.4 **Book Value** $=$ $26,000 - 5,200$
                     $=$ **20,800**

4. How to check book value in the Branch Monitoring System (BMS)

   4.1 For units already in inventory

      4.1.1 Click "Motorcycle" in the main menu in the left portion of the screen and sub-menu will cascade; and click "Delivery Entry" to go to Motorcycle Inventory module.

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4.1.2 When the Motorcycle Inventory module appear, type in the Search Key last five-(5) digit of engine or chassis no. then press Enter

4.2 For still Open Accounts:

4.2.1 Click "Customer" in the main menu in the left portion of the screen and sub-menu will cascade; and click "Enter Ledger" to go to Customer ledger module.

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4.2.2 When the Customer Ledger module appear, uncheck the box of List of Scheduled for Collection,

4.2.3. Type in the Search Key name of customer then click "Select Status" to show sub-menu and click "View All"

4.2.4 Select the right Customer Name; then click "Enter Ledger" dialogue box to proceed with the next step.

4.2.5 When "Ledger Transaction Module appears, Click "Select Transaction" to show sub-menu and click "Pull Out"

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4.2.6 Click "Compute Book Value" dialog box.

5.2.7 Scroll down to see the unit Book value.

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