

# Entreprise Management and Entrepreneurship

## M.EIC

### Financial Accounting Exercises

#### Exercise 1

Suppose that you collected the following information regarding the company OCTANS, LDA.

Movements	(in euros)	Assets	Liabilities	Income Statement
Debt from a customer	55.000			
Small car	15.000			
Sales of goods	120.000			
Computer software	5.000			
Debt to a supplier	30.000			
Cost of goods sold	85.000			
Factory building	65.000			
Coins and notes	300			
3 year bank loan	100.000			
Stock of raw materials	18.000			
Electricity consumption already paid	150			
Value of the heavy duty van that is in service and that was rented at "Car Rent, Lda"	20.000			
Stock of finished goods	8.000			
Portfolio of customer orders	28.000			
Bank deposits	7.000			
Debts related to taxes and Social Security	6.000			
Furniture and administrative equipment	12.700			
TOTAL				

- 1) Classify the movements presented, distinguishing those that represent a change in the company patrimony (that go to the balance sheet) from those that go to the income statement. Regarding the changes in patrimony, classify them as Assets or Liabilities.
- 2) Calculate the value of the Assets, Liabilities and Equity of this company.
- 3) Prepare the balance sheet of this company after the presented movements.

ASSETS		EQUITY AND LIABILITIES	
<b>Non-current Assets</b>			
Tangible Assets		<b>EQUITY</b>	
		<b>Total Equity</b>	
Intangible Assets		<b>Liabilities</b>	
		Non-current Liabilities	
<b>Total Non-current Assets</b>			
		Current Liabilities	
<b>Current Assets</b>			
		<b>Total Liabilities</b>	
<b>Total Current Assets</b>			
<b>Total Assets</b>		<b>Total Equity and Liabilities</b>	

## Exercise 2

a) Identify the positive and the negative components of the income:

### Transactions

### Value

1. Staff wages	10.000
2. Electricity bill	1.500
3. Sales to customers	50.000
4. Cost of goods sold	32.500
5. Cash discounts granted	300
6. Company headquartes rent	500
7. Interests received from bank deposits	80
8. Journals and magazines bought	50
9. Interests paid to the bank from credit obtained	200
10. Depreciation and amortization	300

b) Prepare the income statement of this company, using the template below:

<b>Revenue and expenses</b>	<b>Period 31-12-N</b>	
Sales	+	
Cost of goods sold	-	
Suppliers and external services	-	
Employee expenses	-	
Other income	+	
Other expenses	-	
<b>EBITDA – Earnings before Interest, Taxes, Depreciation and Amortization</b>	=	
Depreciation and Amortization	-/+	
<b>Operating Income (EBIT – Earnings before Interests and Taxes)</b>	=	
Interests and financial revenues	+	
Interests and financial expenses	-	
<b>Earnings before taxes</b>	=	
Taxes (17%)	-/+	
<b>Net Income</b>	=	