

# 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
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 bill	150		
Bill of a heavy duty van that was rented from "Car Rentm Lda"	20.000		
Stock of finished goods	8.000		
Portfolio of customer orders	28.000		
Bank deposits	7.000		
Taxes and social security debt	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>		<b>EQUITY</b>	
Tangible Assets			
		<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 Equity and Liabilities</b>	_____
<b>Total Assets</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>	=	