

# Final Accounts – Bank DIB Question Solution

**Presented by:**

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SVP, Head of FAD & CFO

Islami Bank Bangladesh PLC.

# October – 2023 (Question no. 8)

## XYZ Islamic Bank PLC

Trial Balance as on December 31, 2022

Particulars	Debit	Credit
Cash in Hand	40,000	
Balance with Bangladesh Bank	100,000	
Investment in Shares & Securities	2,000	
Placement with other banks	46,000	
General Investments	350,000	
Bills Purchased and Discounted	23,000	
Al Wadeah Current Deposits		30,000
Mudarabah Saving Deposits		150,000
Mudarabah Term Deposit		250,000
Income Tax payable		1,000
Fixed Assets	8,000	
Other Assets	1,500	
Other Liabilities		4,000
Paid-up Capital		80,000
General Reserve		12,100
Statutory Reserve		11,000
Retained Earning		6,000

## Contd....

Particulars	Debit	Credit
General investment income		36,000
Income from Shares and Securities		6,000
Commission, Brokerage and Exchange Income		17,000
Income from Agent Banking Operations		2,500
Profit Paid to Depositors	24,000	
Salaries and Allowances	8,500	
MD's Salary and Allowance	1,550	
SSC Fees & Expenses	250	
Business development expenditure	1,300	
Zakat expenses	650	
Income from ADC products		3,000
Repairs and maintenance	550	
Other expenses	1,300	
<b>Total</b>	<b>608,600</b>	<b>608,600</b>
<b>Additional Information:</b>		
i. Provision for investment is	BDT 2,500	
ii. Provision for income tax is	BDT 910 and	
iii. Depreciation on fixed assets is	BDT 750	

# Solution

## XYZ Islamic Bank PLC

### Profit & Loss Account for the year ended December 31, 2022

Income & Expenditure	Amount	Amount
<b>Investment Income</b>		
General investment income		36,000
Profit Paid to Depositors		(24,000)
<b>Net Investment Income</b>		<b>12,000</b>
Income from Shares and Securities	6,000	
Commission, Brokerage and Exchange Income	17,000	
Income from Agent Banking Operations	2,500	
Income from ADC products	3,000	28,500
<b>Total Operating Income</b>		<b>40,500</b>
<b>Operating Expenses</b>		
Salaries and Allowances	8,500	
MD's Salary and Allowance	1,550	
SSC Fees & Expenses	250	
Business development expenditure	1,300	
Zakat expenses	650	
Repairs and maintenance	550	

# Contd....

Income & Expenditure	Amount	Amount
Depreciation on fixed assets	750	
Other expenses	1,300	
<b>Total operating expenses</b>		<b>(14,850)</b>
<b>Profit/(loss) before provision</b>		<b>25,650</b>
Provision for Investment		(2,500)
<b>Total provision</b>		<b>(2,500)</b>
<b>Total Profit/(Loss) before Taxes</b>		<b>23,150</b>
<b>Provision for taxation for the period</b>		
Current tax		(910)
<b>Net Profit/(Loss) after Tax &amp; Provision</b>		<b><u>22,240</u></b>
<b>Net profit after tax attributable to:</b>		
Retained Earnings from previous year/period		6,000
<b>Profit available for appropriation</b>		<b>28,240</b>
<b>Appropriation:</b>		
Statutory Reserve		(4,630)
<b>Retained Earning</b>		<b><u>23,610</u></b>
<b>*Statutory Reserve (Profit/(Loss) before Taxes after provision Tk. 23,150 @ 20%) = Tk. 4,630</b>		

# Solution

## XYZ Islamic Bank PLC

Balance Sheet as on December 31, 2022

Particulars	Amount in '000 Tk.	Amount in '000 Tk.
<b>Property &amp; Assets</b>		
<b>Cash in Hand</b>		
Cash in Hand		40,000
Balance with Bangladesh Bank		100,000
<b>Placement with banks &amp; other financial institutions</b>		
Placement with other banks		46,000
<b>Investments in shares &amp; securities</b>		
Investment in Shares & Securities		2,000
<b>Investments</b>		
General Investments		350,000
Bills Purchased and Discounted		23,000
<b>Fixed Assets (8,000-750)</b>		7,250
<b>Other Assets</b>		1,500
<b>Total Property &amp; Assets</b>		<b>569,750</b>

# Contd....

Particulars	Amount	Amount
<b>Liabilities and Capital</b>		
<b>Liabilities</b>		
<b>Placement from banks &amp; other financial institutions</b>		
<b>Deposits &amp; other accounts</b>		
Al Wadeah Current Deposits	30,000	
Mudarabah Saving Deposits	150,000	
Mudarabah Term Deposit	250,000	
Provision for Investment	2,500	
Income Tax payable	1,000	
<b>Other liabilities</b>	4,000	
<b>Provision for Tax</b>	910	
<b>Total Liabilities</b>		<b>438,410</b>
<b>Capital/Shareholders' Equity</b>		
Paid - up capital	80,000	
Statutory Reserve (11,000+4,630)	15,630	
General Reserve	12,100	
Retained earnings	23,610	<b>131,340</b>
<b>Total Liabilities &amp; Shareholders' Equity</b>		<b><u>569,750</u></b>

# May – 2023 (Question no. 8)

## Glory Islamic Bank Ltd.

### Trial Balance as on December 31, 2022

Particulars	Debit (Tk.)	Credit (Tk.)
Cash in Hand	450,000	
Balance with Bangladesh Bank	380,000	
Balance with other BFIs and NBFIs	100,000	
Investment in Shares & Securities	320,000	
Investment Income		500,000
Income from Investment in Shares & Securities		30,000
Commission, Exchange & Brokerage		40,000
Other Operating Income		4,000
Placement with BFIs and NBFIs	170,000	
General Investment	6,013,000	
Bills Purchased and Discounted	300,000	
Fixed Assets	575,000	
Other Assets	220,000	
Non Banking Assets	5,000	
Mudaraba Term Deposit Account		4,000,000
Mudaraba Saving Deposit Account		2,000,000
Al Wadeah Deposit Account		1,000,000



# Contd....

Particulars	Debit (Tk.)	Credit (Tk.)
Bills Payable		200,000
Profit Paid on Deposit	200,000	
Salary & Allowances	70,000	
MD/CEO Salary	1,200	
Director's Fees & Expenses	500	
Shari'ah Supervisory Committes (SSC) Fees	50	
Auditor's Fees	120	
Other Operating Expenses	230	
Other Liabilities		150,000
Statutory Reserve		220,000
General Reserve		170,000
Retained Earning		130,000
Paid-up Capital		361,100
<b>Total</b>	<b><u>8,805,100</u></b>	<b><u>8,805,100</u></b>
<b>Additional Information:</b>		
i. Additional provision for NPI	Tk.	20,000
ii. Corporate Tax Rate 30% on profit before tax		0.30
iii. Dividend declared but not paid	Tk.	30,000

# Solution

## Glory Islamic Bank Ltd.

### Profit & Loss Account for the year ended December 31, 2022

<b>Income &amp; Expenditure</b>	<b>Amount in '000 Tk.</b>	<b>Amount in '000 Tk.</b>
<b>Investment Income</b>		
Investment income		500,000
Profit paid on mudaraba deposits		(200,000)
<b>Net Investment Income</b>		<b>300,000</b>
Income from Investment in Shares & Securities	30,000	
Commission, Exchange & Brokerage	40,000	
Other Operating Income	4,000	74,000
<b>Total Operating Income</b>		<b>374,000</b>
<b>Operating Expenses</b>		
Salary & Allowances	70,000	
Rent, taxes, insurances, electricity etc.		
Legal expenses		
Postage, stamps and telecommunication etc.		
Stationery, printing and advertisement etc.		
MD/CEO Salary	1,200	
Director's Fees & Expenses	500	

## Contd....

<b>Income &amp; Expenditure</b>	<b>Amount in '000 Tk.</b>	<b>Amount in '000 Tk.</b>
Shari'ah Supervisory Committes (SSC) Fees	50	
Auditor's Fees	120	
Depreciation and repair to bank's assets		
Zakat expenses		-
Other Operating Expenses	230	
<b>Total operating expenses</b>		<b>(72,100)</b>
<b>Profit/(loss) before provision</b>		<b>301,900</b>
Provision for Investments & Off- Balance Sheet items		(20,000)
<b>Total provision</b>		<b>(20,000)</b>
<b>Total Profit/(Loss) before Taxes</b>		<b>281,900</b>
<b>Provision for taxation for the period</b>		
Current tax		(84,570)
Deferred tax		
<b>Net Profit/(Loss) after Tax &amp; Provision</b>		<b><u>197,330</u></b>
<b>Net profit after tax attributable to:</b>		
Equity holders of IBBL		

## Contd....

<b>Income &amp; Expenditure</b>	<b>Amount in '000 Tk.</b>	<b>Amount in '000 Tk.</b>
Non-controlling interest		
Retained Earnings from previous year/period		130,000
Add: Net profit after tax (attributable to equity holders of IBBL)		
Add: Excess depreciation on revalued amount of building transferred from Assets revaluation reserve to retained earnings		
<b>Profit available for appropriation</b>		<b>327,330</b>
<b>Appropriation:</b>		
Statutory Reserve		(56,380)
General Reserve		
Proposed Dividend		(30,000)
Start up Fund		
Coupon/Dividend for perpetual bond holders		
<b>Retained Earning</b>		<b><u>240,950</u></b>
<b>*Statutory Reserve (Profit/(Loss) before Taxes after provision Tk. 2,81,900 @ 20%) = Tk. 56,380</b>		

# Solution

## Glory Islamic Bank Ltd.

Balance Sheet as on December 31, 2022

Particulars	Amount in '000 Tk.	Amount in '000 Tk.
<b>Property &amp; Assets</b>		
<b>Cash in Hand</b>		
Cash in Hand		450,000
Balance with Bangladesh Bank		380,000
<b>Balance with other banks &amp; financial institutions</b>		
Balance with other BFIs and NBFIs		100,000
<b>Placement with banks &amp; other financial institutions</b>		
Placement with BFIs and NBFIs		170,000
<b>Investments in shares &amp; securities</b>		
Investment in Shares & Securities		320,000
<b>Investments</b>		
General Investment		6,013,000
Bills Purchased and Discounted		300,000
<b>Fixed Assets</b>		575,000
<b>Other Assets</b>		220,000
<b>Non Banking Assets</b>		5,000
<b>Total Property &amp; Assets</b>		<b>8,533,000</b>

# Contd....

Particulars	Amount in '000 Tk.	Amount in '000 Tk.
<b>Liabilities and Capital</b>		
<b>Liabilities</b>		
<b>Placement from banks &amp; other financial institutions</b>		
<b>Deposits &amp; other accounts</b>		
Mudaraba Term Deposit Account	4,000,000	
Mudaraba Saving Deposit Account	2,000,000	-
Al Wadeah Deposit Account	1,000,000	7,000,000
Bills payable		200,000
Divedend Payable		30,000
Provision for Investments & Off- Balance Sheet items		20,000
<b>Other liabilities</b>		150,000
<b>Provision for Tax</b>		84,570
<b>Total Liabilities</b>		<b>7,484,570</b>
<b>Capital/Shareholders' Equity</b>		
Paid - up capital	361,100	
Statutory Reserve (220,000+56,380)	276,380	
General Reserve	170,000	
Retained earnings	240,950	1,048,430
<b>Total Liabilities &amp; Shareholders' Equity</b>		<b><u>8,533,000</u></b>

# November – 2022 (Question no. 8)

## **Insaf Islamic Bank Ltd.**

### **Trial Balance as on December 31, 2022**

<b>Particulars</b>	<b>Debit (Tk.)</b>	<b>Credit (Tk.)</b>
Cash in Hand (Local Currency)	250,000	
Cash in Hand (Foreign Currency)	50,000	
Balance with Bangladesh Bank	1,200,000	
Balance with other Banks & Financial Institutions	100,000	
General Investment	8,000,000	
Bills Purchased and Discounted	200,000	
Investment in Shares & Securities	300,000	
Paid-up Capital (60,000 Shares @ Tk. 10 each)		600,000
Al Wadeah Current Deposits		1,000,000
Mudaraba Saving Deposits		3,400,000
Mudaraba Term Deposits		4,300,000
Other Mudaraba Deposits		1,200,000
Bills Payable		100,000
Investment Income		600,000
Income from Investment in Shares & Securities		20,000
Commission, Exchange & Brokerage		50,000
Other Operating Income		15,000
Profit Paid on Mudaraba Deposits	350,000	
Salary & Allowances	100,000	

# Contd....

Particulars	Debit (Tk.)	Credit (Tk.)
Rent, taxes, insurances, electricity etc.	12,000	
Chief executive's salary & fees	1,000	
Directors' fees & expenses	500	
Shari'ah supervisory committee's (SSC) fees & expenses	300	
Auditor's Fees	100	
Depreciation and repair to bank's assets	900	
Zakat expenses	350	
Other expenses	50	
Statutory Reserve		100,000
General Reserve		60,000
Retained Earning		40,000
Land & Building	700,000	
Other Assets	66,000	
Branch Adjustment	153,800	
<b>Total</b>	<b><u>11,485,000</u></b>	<b><u>11,485,000</u></b>

## Additional Information:

i. Proposed Dividend	Tk.	12,000
ii. Provision for General Investment	Tk.	15,000
Provision Investment in Shares & Securities	Tk.	500
iii. Provision for Income Tax	Tk.	50,000



# Solution

## Insaf Islamic Bank Ltd.

### Profit & Loss Account for the year ended December 31, 2022

Income & Expenditure	Amount in '000 Tk.	Amount in '000 Tk.
<b>Investment Income</b>		
Investment income		600,000
Profit paid on mudaraba deposits		(350,000)
<b>Net Investment Income</b>		<b>250,000</b>
Income from Investment in Shares & Securities	20,000	
Commission, Exchange & Brokerage	50,000	
Other Operating Income	15,000	85,000
<b>Total Operating Income</b>		<b>335,000</b>
<b>Operating Expenses</b>		
Salary & Allowances	100,000	
Rent, taxes, insurances, electricity etc.	12,000	
Legal expenses		
Postage, stamps and telecommunication etc.		
Stationery, printing and advertisement etc.		
Chief executive's salary & fees	1,000	
Directors' fees & expenses	500	

## Contd....

<b>Income &amp; Expenditure</b>	<b>Amount in '000 Tk.</b>	<b>Amount in '000 Tk.</b>
Shari'ah supervisory committee's (SSC) fees & expenses	300	
Auditor's Fees	100	
Depreciation and repair to bank's assets	900	
Zakat expenses	350	-
Other expenses	50	
<b>Total operating expenses</b>		<b>(115,200)</b>
<b>Profit/(loss) before provision</b>		<b>219,800</b>
Provision for General Investment		(15,000)
Provision Investment in Shares & Securities		(500)
Other provisions		
<b>Total provision</b>		<b>(15,500)</b>
<b>Total Profit/(Loss) before Taxes &amp; Provision</b>		<b>204,300</b>
<b>Provision for taxation for the period</b>		
Current tax		(50,000)
Deferred tax		
<b>Net Profit/(Loss) after Tax &amp; Provision</b>		<b><u>154,300</u></b>

## Contd....

<b>Income &amp; Expenditure</b>	<b>Amount in '000 Tk.</b>	<b>Amount in '000 Tk.</b>
<b>Net profit after tax attributable to:</b>		
Equity holders of IBBL		
Non-controlling interest		
Retained Earnings from previous year/period		40,000
Add: Net profit after tax (attributable to equity holders of IBBL)		
Add: Excess depreciation on revalued amount of building transferred from Assets revaluation reserve to retained earnings		
<b>Profit available for appropriation</b>		<b>194,300</b>
<b>Appropriation:</b>		
Statutory Reserve		(40,860)
General Reserve		
Proposed Dividend		(12,000)
Start up Fund		
Coupon/Dividend for perpetual bond holders		
<b>Retained Earning</b>		<b>141,440</b>
<b>*Statutory Reserve (Profit/(Loss) before Taxes &amp; after Provision Tk. 2,04,300 @ 20%) = Tk. 40,860</b>		

# Solution


## Insaf Islamic Bank Ltd.

Balance Sheet as on December 31, 2022

Particulars	Amount in '000 Tk.	Amount in '000 Tk.
<b>Property &amp; Assets</b>		
<b>Cash in Hand</b>		
Cash in Hand (Local Currency)	250,000	
Cash in Hand (Foreign Currency)	50,000	
Balance with Bangladesh Bank	1,200,000	1,500,000
<b>Balance with other banks &amp; financial institutions</b>		
Balance with other Banks & Financial Institutions		100,000
<b>Placement with banks &amp; other financial institutions</b>		
<b>Investments in shares &amp; securities</b>		
Investment in Shares & Securities		300,000
<b>Investments</b>		
General Investment		8,000,000
Bills Purchased and Discounted		200,000
<b>Land &amp; Building</b>		700,000
<b>Other Assets</b>		66,000
Branch Adjustment		153,800
<b>Non Banking Assets</b>		
<b>Total Property &amp; Assets</b>		<b><u>11,019,800</u></b>

# Contd....

Particulars	Amount in '000 Tk.	Amount in '000 Tk.
<b>Liabilities and Capital</b>		
<b>Liabilities</b>		
<b>Placement from banks &amp; other financial institutions</b>		
<b>Deposits &amp; other accounts</b>		
Al Wadeah Current Deposits	1,000,000	
Mudaraba Saving Deposits	3,400,000	
Mudaraba Term Deposits	4,300,000	
Other Mudaraba Deposits	1,200,000	
Bills payable	100,000	100,00,000
Dividend Payable		12,000
Provision for General Investment		15,000
Provision Investment in Shares & Securities		500
<b>Other liabilities</b>		
<b>Provision for Tax</b>		50,000
<b>Total Liabilities</b>		<b>10,077,500</b>
<b>Capital/Shareholders' Equity</b>		
Paid-up Capital (60,000 Shares @ Tk. 10 each)	600,000	
Statutory Reserve (100,000+40,860)	140,860	
General Reserve	60,000	
Retained Earnings	141,440	<b>942,300</b>
<b>Total Liabilities &amp; Shareholders' Equity</b>		<b><u>11,019,800</u></b>



Thank You All

Any Question?

# Final Accounts – Company

## DIB Question Solution

Presented by:

Md. Farid Uddin FCA, CIPA

SVP, Head of FAD & CFO

Islami Bank Bangladesh PLC.

# October – 2023 (Question no. 7)

## M/S Fahim Manufacturing Trial Balance as on June 30, 2023

Particulars	BDT	Particulars	BDT
Opening Stock	125,000	Sales	1,690,000
Purchase	860,000	Accounts Payable	89,500
Wages	116,000	Bills Payable	38,500
Factory Rent	87,600	Accrued Salary	21,000
Electricity	11,500	Income Tax Provision	46,000
Office Rent	65,000	Retained Earnings	50,400
Salary	178,600	Capital	350,000
Prepaid Salary	8,500		
Telephone Bill	9,600		
Stationery	10,300		
Advertisement	4,900		
Administrative Exp.	35,300		
Cash in hand	54,300		
Bank Balance	142,000		
Accounts Receivable	418,000		
Drawing	27,000		
Bad Debts	1,700		
Fixed Assets	130,700		
<b>Total</b>	<b>2,285,400</b>	<b>Total</b>	<b>2,285,400</b>



## Contd....

- The following adjustments are necessary:
  - i. There is an advance wage of BDT 3,500.
  - ii. The closing stock is valued at BDT 156,000.
  - iii. Depreciation on fixed assets for the year is BDT 5,000.
  - iv. Corporate Income Tax Rate @40%
- **Required:**
  - i. Prepare Income Statement for the year June 30, 2023
  - ii. Prepare Financial Position as on June 30, 2023

# Solution

## M/S Fahim Manufacturing Income Statement for the year June 30, 2023

Particulars	Tk.	Tk.	Tk.
Net Sales			1,690,000
Purchase		860,000	
Add: Opening Stock		125,000	
<b>Net Purchase</b>		<b>985,000</b>	
Add: Wages	116,000		
Less: Advance	3,500	112,500	
Factory Rent		87,600	
Electricity		11,200	
Less: Closing Stock		156,000	
<b>Cost of Goods Sold</b>			<b>1,040,300</b>
<b>Gross Profit</b>			<b>649,700</b>
<b>Operating Expenses:</b>			
Office Rent		65,000	
Salary		178,600	
Telephone Bill		9,600	
Stationery		10,300	
Advertisement		4,900	
Administrative Exp.		35,300	
Depreciation		5,000	
Bad Debts		1,700	

## Contd....

<b>Particulars</b>	<b>Tk.</b>	<b>Tk.</b>	<b>Tk.</b>
<b>Total Operating Expenses</b>			310,400
<b>Net Profit from Operation</b>			<b>339,300</b>
Non-operating income/(loss)			-
<b>Profit/(Loss) before Taxes</b>			<b>339,300</b>
<b>Less: Provision for Taxes</b>			135,720
<b>Net Profit/(Loss) after Taxes</b>			<b><u>203,580</u></b>

# Solution

## M/S Fahim Manufacturing Financial Position as on June 30, 2023

Particulars	Tk.	Tk.	Tk.
<b>Property &amp; Assets</b>			
<b>Non-Current Assets:</b>			
Fixed Assets	130,700		
Less: Depreciation	5,000		
<b>Total Non-Current Assets</b>			125,700
<b>Current Assets:</b>			
Cash in hand		54,000	
Bank Balance		142,000	
Accounts Receivable		418,000	
Prepaid Salary		8,500	
Closing Stock		156,000	
Advance Wages		3,500	
<b>Total Current Assets</b>			782,000
<b>Total Assets</b>			<b><u>907,700</u></b>

# Contd....

Particulars	Tk.	Tk.	Tk.
<b>Liabilities and Capital:</b>			
<b>Capital/Shareholder's Equity</b>			
Capital	350,000		
Less: Drawing	27,000	323,000	
Retained Earning:			
Previous	50,400		
Current	203,580	253,980	
<b>Total Capital/Shareholder's Equity</b>			<b>576,980</b>
<b>Liabilities:</b>			
Accounts Payable		89,500	
Bills Payable		38,500	
Accrued Salary		21,000	
Income Tax Provision:			
Previous	46,000		
Current	135,720	181,720	
<b>Total Liability</b>			<b>330,720</b>
<b>Total Liabilities and Capital:</b>			<b><u>907,700</u></b>

# May – 2023 (Question no. 7)

## M/S XYZ Company

### Trial Balance as on December 31, 2022

Particulars	Debit (Tk.)	Credit (Tk.)
Opening Stock	25,300	
Purchase	1,200,000	
Sales		2,000,000
Accounts Receivable	300,000	
Accounts Payable		400,000
Building	2,000,000	
Accumulated Depreciation		300,000
Furniture	85,000	
Accumulated Depreciation on Furniture		15,000
Salary	220,000	
Accruals Salary		20,000
Office Rent	120,000	
Utilities	30,000	
Prepaid Expenses	20,000	
Unearned Revenue		30,000
Stationery	10,000	

## Contd....

Particulars	Debit (Tk.)	Credit (Tk.)
Cash and bank balance	85,000	
Capital and Drawing	50,000	1,000,000
Retained Earning		380,300
<b>Total</b>	<b><u>4,145,300</u></b>	<b><u>4,145,300</u></b>

### Additional Information:

i. Closing Stock	Tk.	30,000
ii. Depreciation for Furniture	Tk.	5,000
iii. Depreciation for building	Tk.	20,000
iv. Corporate Tax Rate 25%		0.25

# Solution

## M/S XYZ Company

### Profit & Loss Account for the year ended December 31, 2022

Particulars	Tk.	Tk.	Tk.
Net Sales			2,000,000
Purchase		1,200,000	
Add: Opening Inventory		25,300	
<b>Net Purchase</b>		<b>1,225,300</b>	
Less: Closing Inventory		30,000	
<b>Cost of Goods Sold</b>			<b>1,195,300</b>
<b>Gross Profit</b>			<b>804,700</b>
<b>Operating Expenses:</b>			
Salary		220,000	
Office Rent		120,000	
Utilities		30,000	
Stationery		10,000	
Depreciation:			
Furniture	5,000		
Building	20,000	25,000	
<b>Total Operating Expenses</b>			<b>405,000</b>
<b>Net Profit from Operation</b>			<b>399,700</b>
Non-operating income/(loss)			-
<b>Profit/(Loss) before Taxes</b>			<b>399,700</b>
Less: Provision for Taxes			99,925
<b>Net Profit/(Loss) after Taxes</b>			<b><u>299,775</u></b>



# Solution

## M/S XYZ Company

Balance Sheet as on December 31, 2022

Particulars	Tk.	Tk.	Tk.
<b>Property &amp; Assets</b>			
<b>Non-Current Assets:</b>			
Buiding	2,000,000		
<b>Less: Depreciation</b>			
Accumulated	300,000		
Current	20,000	1,680,000	
Furniture	85,000		
<b>Less: Depreciation</b>			
Accumulated	15,000		
Current	5,000	65,000	
<b>Total Non-Current Assets</b>			1,745,000
<b>Current Assets:</b>			
Cash and bank balance		85,000	
Accounts Receivable		300,000	
Prepaid Expenses		20,000	
Closing Stock		30,000	
<b>Total Current Assets</b>			435,000
<b>Total Assets</b>			<b><u>2,180,000</u></b>

## Contd....

Particulars	Tk.	Tk.	Tk.
<b>Liabilities and Capital:</b>			
<b>Capital/Shareholder's Equity</b>			
Capital	1,000,000		
Less: Drawing	50,000	950,000	
Retained Earning:			
Previous	380,300		
Current	299,775	680,075	
<b>Total Capital/Shareholder's Equity</b>			<b>1,630,075</b>
<b>Liabilities:</b>			
Accounts Payable		400,000	
Accruals Salary		20,000	
Unearned Revenue		30,000	
Provision for Taxes		99,925	
<b>Total Liability</b>			<b>549,925</b>
<b>Total Liabilities and Capital:</b>			<b><u>2,180,000</u></b>

# November – 2022 (Question no. 7)

## M/S Zahin Enterprise

Trial Balance as on June 30, 2021

Particulars	Debit (Tk.)	Credit (Tk.)
Cash in Hand	52,820	
Cash at Bank	123,000	
Purchase Account	40,765	
Sales Account		210,000
Wages	11,200	
Fuel & Power	8,220	
Stock in Hand (01.07.2020)	2,360	
Salaries	24,350	
Preliminary Expenses	5,600	
Building under Construction	350,000	
Plant & Machinery	332,000	
Land	600,000	
Software	350,000	
General and Administrative Expenses	29,500	
Trade Receivable	29,600	
Paid-up Capital		650,000

## Contd....

Particulars	Debit (Tk.)	Credit (Tk.)
Share Money Deposit		950,000
Accumulated Profit		184,000
Vehicle running expenses	9,930	
Special Audit Fees	40,655	
Other Income		16,000
<b>Total</b>	<b><u>2,010,000</u></b>	<b><u>2,010,000</u></b>

### Additional Information:

i. Stock on 30.06.2021	Tk.	4,240
ii. Plant & Machinery and Building are to be depreciated at the rate of 10% and Preliminary Expenses to be written off at the rate of 20%		0.10 0.20
iii. Salary for the month of June-2021 amounting to Tk. 1,850 was unpaid	Tk.	1,850
iv. Provision for Income Tax Rate was 40%		0.40

# Solution

## M/S Zahin Enterprise

### Profit & Loss Account for the year ended June 30, 2021

Particulars	Tk.	Tk.	Tk.
Sales Account			210,000
Purchase Account		40,765	
Add: Opening Inventory		2,360	
<b>Net Purchase</b>		<b>43,125</b>	
Add: Wages	11,200		
Fuel & Power	8,220		
Depreciation on Plant & Machinery	33,200	52,620	
Less: Closing Inventory		4,240	
<b>Cost of Goods Sold</b>			<b>91,505</b>
<b>Gross Profit</b>			<b>1,18,495</b>
<b>Operating Expenses:</b>			
Salaries	24,350		
Add: Unpaid	1,850	26,200	
Written Off Preliminary Expenses (5,600*20%)		1,120	
General and Administrative Expense		29,500	
Vehicle Running Expenses		9,930	
Depreciation:			
Building Under Construction		35,000	

## Contd....

Particulars	Tk.	Tk.	Tk.
<b>Total Operating Expenses</b>			<b>1,01,750</b>
<b>Net Profit from Operation</b>			<b>16,745</b>
<b>Add: Non-operating Income:</b>			
Other Income			16,000
<b>Less: Non-operating Expenses:</b>			
Special Audit Fees			40,655
<b>Profit/(Loss) before Taxes</b>			<b>(7,910)</b>
<b>Less: Provision for Taxes</b>			<b>-</b>
<b>Net Profit/(Loss) after Taxes</b>			<b><u>(7,910)</u></b>

# Solution

## M/S Zahin Enterprise Balance Sheet as on June 30, 2021

Particulars	Tk.	Tk.	Tk.
<b>Non-Current Assets:</b>			
Land		600,000	
Building Under Construction	350,000		
Less: Depreciation	35,000	315,000	
Plant & Machinery	332,000		
Less: Depreciation	33,200	298,800	
Software		350,000	
<b>Total Non-Current Assets</b>			<b>1,563,800</b>
<b>Current Assets:</b>			
Cash in Hand		52,820	
Cash at Bank		123,000	
Trade Receivable		29,600	
Preliminary Expenses (5,600-1,120)		4,480	
Closing Stock		4,240	
<b>Total Current Assets</b>			<b>214,140</b>
<b>Total Assets</b>			<b><u>1,777,940</u></b>

## Contd....

Particulars	Tk.	Tk.	Tk.
<b>Liabilities and Capital:</b>			
<b>Capital/Shareholder's Equity</b>			
Paid Up Capital		650,000	
Share Money Deposit		950,000	
Accumulated Profit	184,000		
<b>Less: Net Loss after Taxes</b>	7,910	176,090	
<b>Total Capital/Shareholder's Equity</b>			<b>1,776,090</b>
<b>Liabilities:</b>			
Unpaid Salary		1,850	
<b>Total Liability</b>			<b>1,850</b>
<b>Total Liabilities and Capital:</b>			<b><u>1,777,940</u></b>





Thank You All

Any Question?

# Introduction to Financial Statements Company & Bank

Presented by:

**Md. Farid Uddin FCA, CIPA**

SVP, Head of FAD & CFO

Islami Bank Bangladesh PLC.

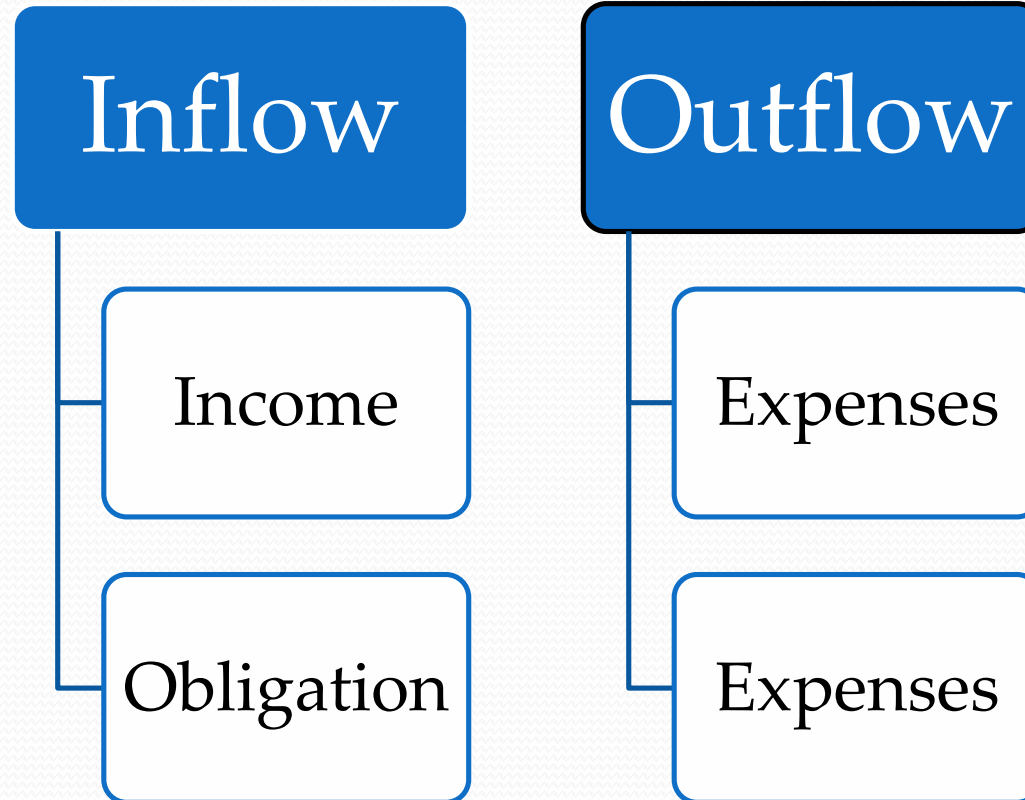
# Introduction to Financial Statements Company

# Component of Financial Statements

Following are the components of the Financial Statements:-

- a) Balance Sheet
- b) Profit & Loss Account
- c) Cash Flow Statement
- d) Statement of Changes in the Equity
- e) Notes to the Accounts.

# Concept of the Balance Sheet and Profit & Loss Account



# Profit & Loss Account

It is called the 'statement of performance'. This is a summary of income, expenses and profit (or loss) of a firm.

## Expenses

- Operating
- Non-Operating

## Income

- Operating:
- Non-Operating

The FSS under IRG Manual Covers the  
Following Group of Ratios:

## Operating Expenses

Manufacturing

Administrative

Selling and  
Distribution

# Balance Sheet:

Balance Sheet is a formal statement of Accounting Equation (i.e.  $A=L+OE$ ). It is called the position statement.

Balance Sheet	
Capital and Liabilities	Assets

Capital and Liabilities	
Equity	Liabilities



# Contd....

## Liabilities

- a) Non Current / Long Term
- b) Current / Short Term

## Assets

- a. Current Assets
- b. Non Current Assets
  - i. Tangible Assets
  - ii. Intangible Assets:
    - \* Fictitious Assets

# Profit & Loss Account

## Gross Profit

<b>Gross Sales</b>	*****
Less: Sales returns & allowances discount, VAT, etc.	**** —
<b>Net Sales</b>	*****
Less: COST OF GOODS SOLD (COGS)	**** —
<b>GROSS PROFIT (GP)</b>	***** —

## Cost of Goods Sold

<b>Opening Stock of Finished Goods</b>	*****
<b>Add.: Cost of Production</b>	**** —
<b>Cost of Goods Available for Sale</b>	*****
Less: Closing Stock of Finished Goods	**** —
<b>Cost of Goods Sold</b>	***** —

## Cost of Production

<b>Opening balance of Work-in-Process</b>	*****
<b>Add.:</b> i) Raw Materials used	****
ii) Conversion Cost	****
Less: Closing balance of Work-in- Process	**** —
<b>Cost of Production</b>	***** —

## Raw Materials Used

<b>Opening balance of Raw Materials</b>	***
<b>Add.:</b> Raw Materials purchased during the year	***
Less: Closing balance of Raw Materials	*** —
<b>Raw Materials used</b>	*** —

# Contd....

## Conversion Cost

- Wages & factory salaries
- Gratuity
- Gas & Electricity
- Consumable stores & spares
- Oil & Lubricants
- Repairs & Maintenance
- Insurance
- Uniform & Liveries
- Depreciation (Plant & Machinery)

## Administrative & General Expenses

- Salaries & allowances
- Rent, Rates, Insurance
- Traveling & conveyance
- Audit fees
- Directors fees
- Telephone, Telegram, etc.
- Office supplies
- Legal expenses
- Printing & stationary
- Entertainment
- Insurance
- Gratuity
- Advertisement & publicity
- Board meeting attendance fees
- Ceremonial expenses
- Contribution & Donation
- Bad Debt & Provision for Bad & Doubtful Debt
- Depreciation

# Contd....

## Selling & Distribution Expenses

- Salaries & allowance
- Traveling & conveyance
- Printing, Stationary & other office supply
- Postage, Telegram & Telex
- Fair & Exhibition
- Renovation of Show Rooms & Sales Center
- Sample expenses
- Delivery expenses
- Advertisement
- General expenses

## Profit & Loss Account Contd....

### **GROSS PROFIT**

#### **Less: OPERATING EXPENSES:**

- a. Administrative & General Expenses
  - b. Selling & Distribution Expenses
- Total Operating Expenses (a+b)

### **OPERATING PROFIT**

#### **Add.: NON-OPERATING INCOME/ OTHER INCOME:**

- Returns on investments
- Profit on deposits
- Sale of scrap
- Profit on sale of assets

#### **Less: NON-OPERATING EXPENSES/ OTHER EXPENSES**

- Exp. for issue of share, debenture, bond, etc. Loss on sale of assets
- Finance expenses e.g. profit on investment & bank charge.

### **PROFIT BEFORE TAX**

Profit & Loss Account  
Contd....

**PROFIT BEFORE TAX**

**Less: PROVISION FOR TAXATION**

**NET PROFIT AFTER TAX**

**Add/(Less):** Balance Profit/ (Loss) b/f from Previous Year  
Surplus Available for Appropriation

**Less: APPROPRIATIONS**

Proposed dividend / Dividend paid

Bond redemption reserve

Dividend equalization reserve

General reserve

**Balance of profit/ Retained Earnings Transferred to Balance Sheet**

# ASSETS

## Current Assets

- Cash in hand & Bank balance
- Marketable Securities
- Account Receivable/Bills Receivable
- Inventory ( Raw materials, WIP, Finished goods & Stores and Spares)
- Prepaid & Advances
- Others

## Non-Current Assets :

- Land & Building less Depreciation
- Plant & Machinery less Depreciation
- Furniture & Fixture less Depreciation
- Investment -Subsidiary & Associate Co.

## Intangible Assets :

- Goodwill
- Trade marks & patent
- Preliminary expenses.
- Preoperative expenses
- Accumulated loss balance (if any).



# Liabilities & Shareholders' Equity

## Current Liabilities

- Murabaha (TR)/Short term investment
- Bank Investment Payable ( Under 1 year)
- Accounts Payable/Bills Payable (Sundry Creditors)
- Provision for Taxes
- Outstanding Expenses
- Advance Received
- Others

## Non-Current liabilities

- Term Investment
- Debenture/Bond, etc

## Shareholder's Equity

- Paid up Capital
- Share Premium
- General Reserve
- Retained Earnings
- Shareholders' Equity/Net-worth



# Introduction to Financial Statements Bank

# Component of Financial Statements

Following are the components of the Financial Statements:-

- a) Balance Sheet
- b) Profit & Loss Account
- c) Cash Flow Statement
- d) Statement of Changes in the Equity
- e) Notes to the Accounts
- f) Statement of Liquidity\*

# Profit & Loss Account

**Investment Income**

**Less:** Profit Paid on Deposits

**Net Investment Income**

**Add.:** i. Income from Investments in Shares/Securities

ii. Commission, Exchange and Brokerage

iii. Other Operating Income:

Locker rent

Telephone/Telegram Charges recovered

Income from SWIFT

Profit on sale of bank's premises, car, etc.

Legal expenses recovered

**Total Operating Income**

**Less :** Operating Expenses

# Operating Expenses

- Salary & allowances
- Rent, Taxes, Insurance, Electricity etc.
- Legal Expenses
- Postage, Stamps, Telecommunication etc.
- Stationery, Printing, Advertisement etc.
- Chief Executive's Salary & Fees
- Directors' Fees & Expenses
- Auditors' Fees
- Charges on Investment Losses
- Depreciation and Repair of Bank's Assets
- Other expenses:
  - T.A & D.A.
  - Conveyance
  - Zakat Paid
  - Uniforms
  - Traveling & Entertainment
  - Training, Meeting,
  - Contribution etc.

# Appropriation of Profit

**Total Profit/(Loss) before Taxes**

Provision for Tax (Current Tax plus Deferred Tax, if any)

**Net Profit/(Loss) after Tax**

Retained Earnings from Previous Year

Add: Net Profit after Tax

**Profit Available for Distribution**

Less: Appropriations:

Statutory Reserve

General Reserve

Proposed Dividends

**Retained Earnings**

**Earning per Ordinary Share (EPS)**

# PROPERTY AND ASSETS

## **Cash \***

Cash in hand (Including Foreign Currencies)

Balance with Bangladesh Bank & its Agent Bank(s) (Including Foreign Currencies)

## **Balance with other Banks & Financial Institutions**

- In Bangladesh

- Outside Bangladesh

Money at Call and Short Notice

## **Investments in Shares & Securities**

- Government

- Others

# PROPERTY AND ASSETS

## **Investment**

General Investments etc.

Bills Purchased & Discounted

## **Fixed Assets including Premises**

## **Other Assets:**

Stock of Stationery

Stamp in hand

Expense paid in advance

Security deposits

## **Branch Adjustment Accounts (Dr)**

## **Non-banking Assets**

## **TOTAL ASSETS**

# LIABILITIES

- Borrowings from other Banks, Financial Institutions and Agents
- Deposits and Other Accounts
- Current & Other Accounts, etc.
- Bills Payable
- Mudaraba Savings Deposits
- Mudaraba Term Deposits
- Bearer Certificate of Deposit
- Other Mudaraba Deposits
- **Other Liabilities:**
  - Provision for Taxes, Expenses etc.
  - Provision for doubtful & bad investments
  - Provision for other assets
  - Zakat payable
  - Dividend payable
  - Branch Adjustment Account (Cr.)

**TOTAL LIABILITIES**



# Shareholders' Equity:

Paid up Capital

Statutory Reserve

Other Reserves

Retained Earnings

**Total Shareholders' Equity\*\***

**TOTAL LIABILITIES & SHAREHOLDERS' EQUITY**

Thank You All

Any Question?