

ALL LEVEL THREE QUESTIONS

PROJECT 1

- Ato abele is the newly employee who works at 3f furniture and his monthly income is birr 10,000 in the month of December 21,2015. His fixed expenditure covers 30% of his income and the remaining is his variable expenditure and personal saving. Personal saving is 2% of the variable expenditures. and the actual variable expenditures is only 85% of the budgeted variable expenditures. and the fixed expenditures remain constant. And deficit or surplus is added or deducted from personal saving. at the newly year january1,2016 his income increased by 10%.and at january1,2016 his variable expenditure increased or growth by 10%.

Task1.1. prepare the personal budget for the month of December 21, 2015?

Task1.2. prepare budget performance report for the month of December 21, 2015?

Task1.3. calculate the percentages of saving for both estimated and actual amount?

Task1.4. prepare the personal budget for the month of January 1, 2016?

Task1.5.why is very to ato abera budgeted during December?

Project 2

- Assume you investment requires total capital of birr 120,000 of which you can have birr 30,000 in your hand and borrowed the remaining amount. You expected to earn monthly revenue of birr 40,000. In order to fulfill your financial requirements, you have two alternatives:-

Alternatives 1:- you will borrowed the deficit of capital from bank at an interest rate of 12% for two years and the bank charged birr 2000.

Alternatives 2:- you will borrowed the deficit of capital from bank at an interest rate of 13% for three years and the bank charged birr 1000.

Task2.1. which alternatives are best? (Show your answer with calculation)

Task2.2. calculate estimated rate of return on your investment?

Project 3

- Suppose ABC Company is a vat registered company. During the year of 2011 the company earned birr 3,500,000 from sales vat inclusive. The company purchased materials and imported at accost of birr 500,000 before vat. During the year, the company paid birr 35,000 for excise tax and custom duty of 15%. In addition the company incurred other expense of birr 1,000,000. The company

also charged profit tax of 30%.

Task3.1. calculate the direct tax?

Task3.2. calculate the indirect tax?

Task3.3. identify the documents of taxation?

Project 1

➤ Suppose selamsew an employee of xy company who earns permanent weekly salary of birr 325 during the year f 2012. The monthly budget expenditure for 2012 are as follows:-

- Rent cost.....birr 250 per month
- Transport cost.....birr 100 per month
- Communication.....birr 50 per month
- Maintenance.....birr 60 per month
- Food cost.....birr 140 per month
- Insurance cost.....birr 150 per month

Selamsew plans to save the following costs for 2013 for the 20/80 condominium house plan

- ✓ 50% of communication cost
- ✓ 30% of transport cost
- ✓ 5% of maintenance cost
- ✓ 10% of rent cost
- ✓ 15% of food cost

Task1.1. prepare the annual budget of selamsew . Monthly for 2013 and increases the amount of saving for the new 20/80 house plan.

Task1.2. calculate saving percentage increase for the year?

Project 2

➤ Assume the mesfine industrial engineering engaged in rental construction machinery the company imports different kinds of construction materials. In the year 2012, the company imports different kinds of construction materials. In the year 2012, the company imported machine at acost of birr 2,500,000 of which 60% machinery covered by credit facility from dashen bank. The loan will be

repaid within 5 years at equal installment quarterly at accost of 12% interest rate. The total service charge and cost related to credit facility is 2000 for the first year and 2500 for the second year of loan period. Assume the bank policy is simple interest rate on outstanding loans and advances.

Task2.1. calculate the principal repayment and cost of loans for the first year loan period?

Task2.2. calculate the principal repayment and cost of loan for the second year loan period?

Task2.3. what is the outstanding balance of loan at the end of 3 year loan period?

Task2.4. mention at list five the roles of credit facility for society?

Project 3

- Abc Share Company is registered and license supplier of injera to different universities in Ethiopian. During the year 2012 the company earns as income of birr 1,500,000 and 1,800,000 from BU and AAU respectively and including vat. The total cost of the product is 1,980,000 before vat. In addition the company earns 160,000 per year from other source of income with zero vat rates. In the other hand the company incurred birr 300,000 general and administration expense for the year. During the last month 2012 the company with hold birr 65,000 for employment income tax the company is expected to paying 30% profit tax.

Task3.1. calculate the direct tax for the year?

Task3.2. calculate the indirect tax for the year?

Project 1

Suppose ato alemu is an employee of xy company and his salary of birr 750 per week. In January 2015 the company paid two monthly net salaries as a bonus for each employees to the performance of the year 2015. Ato alemu has fixed and variable expenditures. Fixed expenditures are university fee 100, transport 200, and rent 300, magazine 40. And variable expenditures are cloth 50, mobile card 25, recreation 100, and gas 70, in order to increase his saving ato alemu understand to change his behavior and skill. He decided to decrease variable expenditure by 5% starting from February 2016.(the budgeted year of the company is from January 1 to December 31)

Task1.1. calculate total saving for the month of January 2015?

Task1.2. calculate the total saving for the month of February 2016?

Task1.3. demonstrate required behavior and skill to succeeding budgeting?

Task1.4. demonstrate obstacle of ato alemu to achieve financial goal?

Project 2

Ato kidane plan to open a cafe after a year. The total capital needed to open the business is birr 100,000. To achieve the goal, Ato Kidane deposits 1000 per month starting from January 2015 up to December 31, 2015, to Dashen Bank at Hawassa. During this period, Ato Kidane earns interest income of birr 2008 for deposited cash at the Dashen Bank. After one year (January 2016), Ato Kidane gives a loan proposal for deficit capital to Dashen Bank at an interest rate of 10% paid quarterly at equal installment and management fee 5% of the loan amount equally distributed.

Task 2.1. Calculate the deficit capital of Ato Kidane, if withdrawal of all deposited amount of money?

Task 2.2. Calculate the total interest expense and service charge at the end of the second year (2016 and 2017)

Task 2.3. If the government announces budget for the year 2009 E.C. birr 200 billions, ERCA plans to generate internal revenue of 180 billion for the year 2010 E.C. Demonstrate the instrument traded on the short term market in order to fulfill budget deficiency?

Task 2.4. Demonstrate information provided to customer assuming you are a bank clerk in Dashen Bank?

- Dawit, the owner of Dawit General Trading, engaged in the sales of spare parts of Bajaj vehicle with two employees. The business is not legally registered for VAT. Therefore, it is eligible to register to pay turnover tax during the month. The business has sold the spare parts for birr 35,000. The following data related to his employees' earnings for the month.

Name of employees	Basic salary	Over time earnings	Taxable allowance
Bethlehem Abebe	1000	200	50
Yodit Ayele	500	100	

Task 3.1. Calculate direct tax liability of the business for the month?

Task 3.2. Calculate indirect tax liability of the business for the month?

Project 1

- D.C. Manufacturing Company purchased raw materials for birr 750,000 after VAT and sold the produced products for birr 1,850,000 including VAT during the year of 2014. The company incurred total operating expense of birr 250,000 and was subjected to pay 30% business profit tax. The company was declared bonus of birr 21,500 for the year of 2014 to Ato Samuel for the month of January, February, and March at equal installment on January 2015. In January 2015 the

earning of ato Samuel is 7600 and 1200 Of basic salary and overtime respectively.

Task1.1. determine direct tax liability of dc manufacturing company for the month of December 2014?

Task1.2. determine total direct tax liability of ato Samuel for the month of January 2015?

Task1.3. determine indirect tax liability of dc manufacturing for the month of dec2014?

Project 2

- Ato biniyam net basic salary, house and transportation allowance is 3000, 1500, and 1000 respectively. 60% of his basic salary and transportation allowance is for his variable expenditures. On the other hand the sum of 50% of his variable expenditure and 70% of housing allowance is his fixed expense.

Task2.1. prepare his semiannual personal budget?

Task2.2. determine the percentage of variable Expenditure and saving amount from his total earning?

Task2.3. determine the possible ways to reduce personal budget and personal saving?

Task2.4. list the possible guidelines that are used to open customer account?

Task2.5. determine at list five equipments which you are using in opening and processing customer account?

Project 3

- Ethio engineering corporation has signed road construction agreement with Ethiopian road authority to renew the contract the main road from addis abeba to dire dawa with contract amount of birr 250,000,000. 80% of the contract amount will be financed from the loan released by commercial bank of Ethiopian at annual interest rate of 13% to be paid as per the following term of payments.
 - At the end of the 1st year.....10% of the liability
 - At the end of the 2nd year.....20% of the principal
 - At the end of the 3rd year.....30% of the principal
 - At the end of the 4th year.....20% of the principal
 - At the end of the 5th year.....15% of the principal

- At the end of the 6th year.....5% of the principal

Task3.1. calculate amount of loan received from commercial bank of Ethiopian?

Task3.2. calculate the amount of principal and interest payment for the second year?

Task3.3. calculate the outstanding balance at the end of 5th year including interest rate?

Task3.4. calculate the total interest expense?

Project 1

- Both star and Abc business are a sole proprietorship vat registered business . Astar business purchased items with a cost of birr 250,000 vat inclusive and sold the items to ABC business with birr 320,000 before vat. ABC resold the products with birr 150,000 vat inclusive. On the other hand STAR business incurred an operating expense and withheld employment income tax of birr 50,000 and 12,000 respectively. ABC Company birr 10,000 and 11,500 respectively.

Task1.1. calculate the total direct tax liability of both company?

Task1.2. calculate the total indirect tax liability of both company?

Task1.3. list the two possible ways of stamp duty?

Project 2

Task2.1. demonstrate safety procedures to work effectively in the financial service sector?

Task2.2. demonstrate workplace technology?

Task2.3. how to support a team members in the workplace?

Project 3

- Belgium plc. Paid 3000 on November 2014 for vat liability. The company sales is birr 1,541,000 vats inclusive the company also paid 6000 as an employment income tax for the month. The administrative expenses of place birr 15,000.
- Task3.1. calculate direct tax liability of the company as of November?
- Task3.2. calculate vat input and output?
- Ato fantahun earns birr 9500 basic salary and his monthly expenses is given as follows:-
 - ❖ Clothing expense.....12%
 - ❖ Food expense.....20%
 - ❖ Rent expense.....30%

❖ Education expense.....5%

❖ Transportation expense.....5%

Task1.1. prepare monthly and annually budget for ato fantahun?

- Ato fantahun want to open and run new business with required capital of birr 80,520 based on his annual saving he borrowed the remaining amount from bank at 8.5% interest rate semi –annually at equal installment with three years.

Task1.2. calculate the amount of borrowed (received) from bank?

Task1.3. determine principal and interest repayment for first year?

Task1.4. determine the outstanding balance at the end of second year?

Project 2

- Alem company purchased office equipment for birr 115,000 before vat. The company has five employees to provide services the employment income tax is birr 12,000 per month. During the year 2012 the company earned birr 446,500 inclusive vat by providing services business. Profit tax is birr 30,000.

Task2.1. calculate both direct and indirect tax liability for the year 2012.

IF IT IS FEEL GOOD JUST DO IT

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