

Management Accounting Spring 2025

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Practical Class #19

Problem 55- Balance Sheet 31/March



Payment term: 2 months At the 31 March, we still owe to the government the VAT to State of Feb and March: $(1\ 619, 2 - 414) + (2\ 024 - 434, 7) = 2\ 794, 5 \in$

01 Theoretical Recap

Long Term vs Short Term Loans

Short-term Loans vs Long-term Loans

Short-term Loan

- Done when sources < uses</p>
- Usually monthly interest payments (paid in the following month)
- Repayment of the loan whenever sources > uses



Long-term Loan

- > Done when established in the question
- Usually annual interest payments (stated in the question)
- Annual repayment of the loan (stated in the question)

01 Exercise 57

Bright, Ldt

Problem 57 Financial Budget

- Opening Cash Nov: 7 500€
- Closing Cash: 12 000€
- LT Loan (300 000€ last year)
- LT Loan Reimbursement 60 000€
 1x per year in November
- LT Loan Interest Payment 2%- 1x per year in **November**
- If sources < uses → ST Loan (annual int rate 10%; int paid in following month)
- If sources > uses → ST Loan
 Reimbursement and then
 Financial Investment

1) Sources of funds	November	December
Opening Cash	7 500€	12 000€
Positive Cash Balance	16 750€	31 200€
LT Loan		
ST Loan	53 750€	
TOTAL SOURCES	78 000€	43 200€
2) Uses of Funds		
Closing Cash	12 000€	12 000€
Negative Cash Balance		
Interest- LT Loan	6 000€	
Reimbursement- LT Loan	60 000€	
Interest- ST Loan		447,91(6)€
Reimbursement- ST Loan		30 752,083€
TOTAL USES	78 000€	43 200€

Problem 57- Question 2 a)

Op inventory of DM units November: 100 units Cl inventory of DM units December: 90 units **Budget of DM units**

	NOV	DEC	TOTAL
Op. Inventory	100 units		100 units
Consumption			
Purchases	1100 units	1050 units	2250 units
Cl. Inventory		90 units	90 units

Purchases Nov: 55 000€/50€ = 1100 units \rightarrow paid in Dec

Purchases Dec: 52 500€/50€ = 1050 units → paid in Jan

Consumption: 2250+100-90 = 2160 units → in €: 2160 units * 50€ = 108 000€

Problem 57- Question 2 b)

TOTAL FULL COSTING (include MVC and MFC)

VC payment term: 0.5 months
½ VC of Dec: 19 600€ → VC DEC: 19 600€*2 = 39 200€
VC paid in Dec: ½ VC Nov + ½ VC Dec ⇔ 41 600€ = ½ VC Nov + 19 600€ ⇔ ½ VC
NOV = 22 000€ → VC NOV = 22 000€*2 = 44 000€
TOTAL VC = 39 200 + 44 000= 83 200€

FC payment term: 2 months
 Balance Sheet: FC Nov + FC Dec = 64 000€
 Fixed Costs: 64 000€ + 11 500€ * 2 = 87 000 €

TOTAL CONVERSION COSTS: 83 200€ + 87 000€ = **170 200€**

Problem 57- Question 2 c) Balance Sheet 31/DEC

