Jeopardy

The Balance Sheet	Income Statement	Budgets	Take the Chance
100	100	100	100
200	200	200	200
300	300	300	300
400	400	400	400
500	500	500	500
600	600	600	600

One of the following is NOT a current asset:

Stock

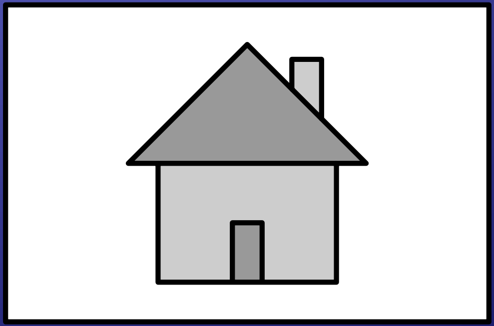
Trade Receivables

Cash in hand

Buildings

Answer

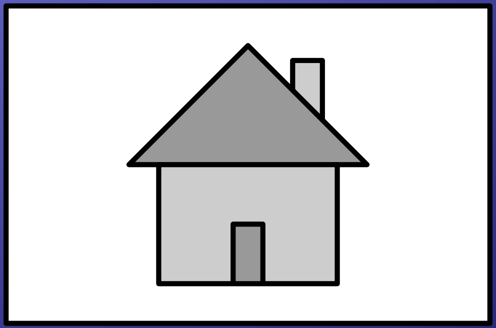
Buildings is a fixed asset



Where can you find ”Retained Earnings” in the Balance Sheet

Answer

Retained Earnings is part of the Equity



Find other ”terms” for:
Trade Payables
Inventories
Debtors

Answer

Trade Payables = Creditors

Inventories = Stocks

Debtors = Trade Receivables

Why can you find ”Proposed dividend” as part of the Equity?

Answer

Dividend is part of the Equity until it is approved by the Shareholders on the General Meeting

Can the Equity be negative?

Answer

Yes!

If the Debts is higher than the Assets

Where can you find
”Accummulated Depreciations”
in the Balance Sheet

Answer

It is deducted from the fixed assets. So what you see in the Balance Sheet as Fixed Assets is in fact the difference between what the company paid for the assets and all the accummulated depreciations.

We call it ”The Booked Value”

Is the Turnover in an Income Statement with or without VAT?

Answer

Without!

Turnover – Variable Costs = ?

Answer

Turnover – Variable Costs = Contribution Margin

What is EBITDA?

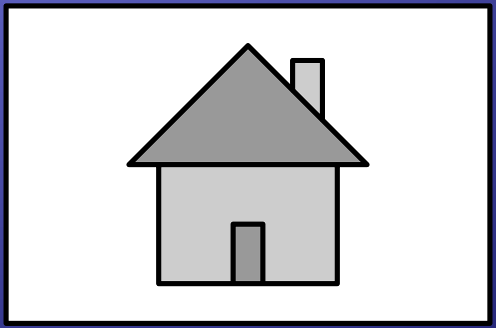
Answer

EBITDA:
Earnings before Interest, Tax, Depreciations and Amortisation

Is "Depreciation" a Capacity Cost?

Answer

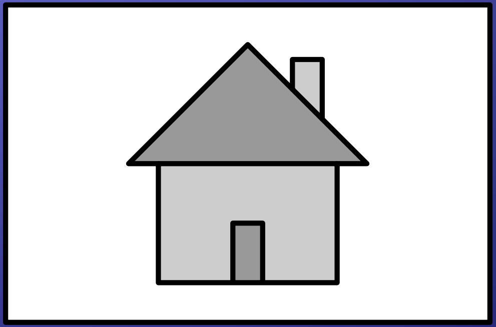
Yes, but NOT a cash cost



Another word for Financial Costs?

Answer

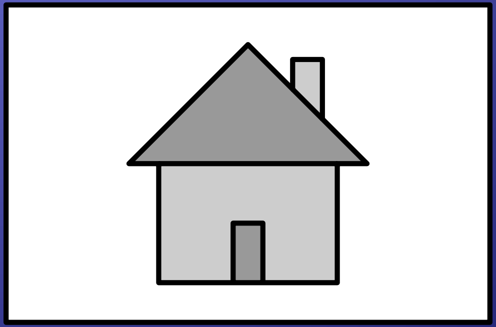
Interest Costs



What do we call the analysis of a company’s Income Statement?

Answer

Analysis of the ”Earnings Capacity”



Explain the difference between Passive and Active budgetting

Answer

Passiv budget stage:

Previous year + known changes (int and ext)

Active budget stage:

Formulation of new ideas (new products, markets etc)

Explain the difference between

Direct and Indirect budgetting

Answer

Direct budgetting:

When you are able to manage units

Indirect budgetting:

You estimate Turnover (you dont have units)

Companies make 3 different budgets:

1. Profit and Loss Budget, and
2. Balance Sheet Budget, and
3. ???????????

Answer

Liquidity Budget (Cash Flow)

You can draw up the liquidity budget in 2 different ways. What do we call the 2 models?

Answer

Change in financial positions
And
Cash Inflow-Outflow

How much did the company purchase during the year if

COGS = 150.000 DKK
Opening stock = 20.000 DKK
Year end stock = 25.000 DKK

Answer

Purchase=COGS - Opening stock + Ending stock

Purchase = 150.000 – 20.000 + 25.000 = 155.000

”Trade Payables” has increased by DKK 15.000 during the year.

Should the amount have a ”+” or ”-” in the ”Change of financial position”-model?

Answer

It should be "+"

(An increase in creditors is positive for the liquidity)

A company has a Debitor Turnover Rate of 6

Calculate the number of days they in average gives credit to their customers

Answer

360/6 = 60 days

Define ”Logistic Efficiency”

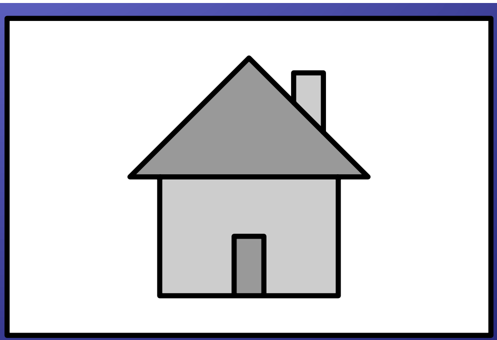
and

1. List the 6 aspects of ”Delivery Service”
2. List the 5 aspects of ”Logistic Costs”

Answer

- Delivery service
  - Delivery speed
  - Level of stock service
  - Observation of delivery deadlines
  - Delivery reliability
  - Delivery flexibility
  - Delivery information

- Logistics costs
  - Stock costs
  - Packaging and packing costs
  - Transport costs
  - Administrative logistics costs
  - Nonconformity costs



A company is planning a marketing campaign of DKK 200.000.
The Contribution Margin is 25%

Calculate the BreakEven Revenue

Answer

BreakEven Revenue=

200.000/25% = 800.000

(If Revenue is 800.000, the Contribution Margin will be exactly 200.000)

A company is planning a marketing campaign.

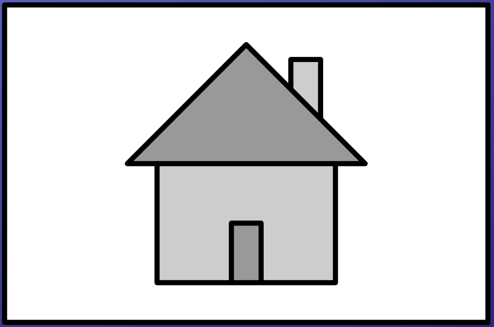
The expected increase in Revenue is DKK 100.000 and the BreakEven Revenue is DKK 60.000

Calculate the Safety Margin

Answer

Safety Margin in DKK = 100.000 – 60.000 = 40.000

Safety Margin as a percentage:
40.000/100.000 = 40%

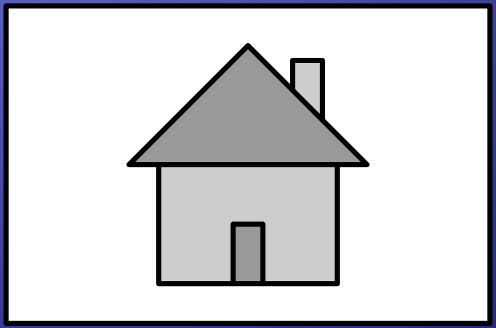


If you draw up a P&L in a Production company, the first cost is ”Production costs”

List 6 accounts in this group

Answer

Variable production costs
Cost of premises
Wages
Repair and maintenance
Other costs
Depreciation on production plants and ma



Netturnover
-Cost of Sales
= Gross Profit

What are the corresponding terms if we only look at 1 unit?

Answer

Total units	**1 Unit**
Netturnover	Sales Price
-Cost of Sales	- Cost Price
= Gross Profit	= Gross Profit