

**THE DESIGN OF A PROGRAM TO COMPUTE AND COMPARE
THE PROFIT AND LOSS ACCOUNTS OF FIRST BANK OF
NIGERIA PLC. CASE STUDY OF ABUJA AIRPORT BRANCH**

BY

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PGD/MCS/2003/2004/1146

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MINNA – NIGERIA

JANUARY, 2006

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*A Project Report Presented to the Department of Mathematics / Computer
In partial fulfillment of the requirements for The Award of Postgraduate
Diploma in Computer Science. (PGDC) Federal University of Technology,
Minna – Nigeria*

CERTIFICATION

This project has been read and approved as meeting the requirement of the School and Science Education, Federal University of Technology Minna.

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Date

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Head of Department

Date

External Examiner

Date

DEDICATION

This project work is dedicated to my beloved wife and my lovely children. *Miss Ahemen Precious Emmanuel and Nguemo Purity Emmanuel* who have all promised to do exceeding better than me in their fields of endeavours and whose inspiring words greatly motivated me.

ACKNOWLEDGEMENT

First I thank God for his limitless love for me. Right from the cradle to adulthood. He has seen me through tough and weary periods and miraculously made me a fulfilled man spiritually, and academically as testified by this work.

However, I must not fail to thank my supervisor Prince R. O. Badmus for his patience, thoroughness, inputs and wealth of knowledge, which proved invaluable in this project work. Special thanks also go to my HOD Dr. L. N. Ezeako and all the academic staff such as Dr. Y. M. Aiyemisi, Dr. Abubakar U. Y., Mal. Audu Isah, Mal. M. Ndanusa, Mr. Peter Ndajah, Jiya Moh'd, Mal. Adamu Moh'd, Salihu Adams, Dr. N.I. Akinwade, Mal. Bashir Moh'd and others who are too numerous to mention for making me a Computer scientist.

My thanks also go to *Mr. Jacob Makama, Mr. Samuel Angwe, Mr. Silas Atyever, Mr. Geoge Iortema, Mr. Ezekiel Magani, Mr. Jacob Ogidi, Mr. Maomi Abaka, Aishat Yahaya, Zernab Shaibu, Jakoh Korosi, Mahdi Abdulmalik Shehu, Hawal . I. Mohammed, Ismaila Mohammed, Adye Solomon (King Solomon), and my gig brother Mr. Hanmaikyur Tyopine with his dear wife Mrs. Mercy Hanmaikyur and our general Mummy, Mrs. Christiana Ortserga.*

Special thanks goes to *Mrs. Martha Bundepuun Emmanuel Iordye and Ms. Emmaunel Ahemen Precious and Emmanuel Nguemo Purity* who sacrificed a lot of comfort to see me through this great work. I must not forget all classmates from all over who stood by me throughout the trying periods.

Lastly I wish to again remain grateful to the Lord Jesus who made me a wonder to myself and to people who come across me.

ABSTRACT

The Project work is aimed at developing a program that will replace the manual way of comparing Profit and Loss figures. The project student purposely choose the First Bank of Nigeria Plc – Abuja Airport Branch where he has observed the elements of the manual processes and therefore decided to evolve a program that will again showcase the value of computerization in the Banking Industry. The proposed system will no doubt improve the quality of data that will be used for the writing of progress reports by branch managers.

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CHAPTER ONE

1.0 INTRODUCTION

1.1 STATEMENT OF RESEARCH PROBLEM

Banking from its distant past has always remained a business that strives to make profits. Its activities are expected to yield increased gross earning interest earnings / incomes, commissions and all other values that improve the institution's worth. At the same time, the industry is a versed to loss, expenses, and even expenditures that reducing their gross earnings. Banks while striving to maximize their gross earning on year-to-year basis, consistently evaluate their performance to discover areas of the weakness and factors responsible for diminishing fortunes or stagnated incomes. The comparative analysis of profit and loss account on year-to-year or month-by-month or period-by-period basis provide the impetus to a study of the influencing factors to avail future losses or enhance profitability.

A business uses resources, capital, people and materials to achieve the goal of making profit. Profit is a feedback to learn how they are doing.

The good thing about this feedback is that it increases effort and helps to correct and guild activities. No business can underestimate the importance of the P and L account. But except when the profit and loss is compared, over designated periods it cannot be determined when growth is registered or certain parameters that affect growth will not come up for scrutiny and repositioning.

Hence, we automate the process to aid the decision making process in the banking industry. Especially first bank of Nigeria Plc – Abuja Airport Branch.

1.2 OBJECTIVE OF THE STUDY

The ultimate aim of this project is to evolve a program that will accept the profit and loss account reports over the months and years and prepare the comparative analysis required for the purpose of evaluation, decision-making and control.

These analyses, at present, are done manually and therefore are limited in applications and accuracy. The enhanced automated process will among all other gains insure that this essential return is rendered timely to Central Bank of Nigeria.

1.3 SCOPE AND LIMITATION OF STUDY

The study aims at collecting the profit and loss account of First Bank of Nigeria Plc. Abuja Airport on monthly basis and evaluating the various comparative analysis/figure for the Branch.

It is noteworthy that the scope can be extended bank wide and industrial wide after the initial test run on Abuja Airport branch. But for the purpose of this study, we shall be restricted in Abuja Airport Branch.

The program will be test-run on data collected from First Bank of Nigeria Plc – Abuja Airport Branch. It will be limited by the inaccessibility to other similar data from other locations for the purpose of continuous demonstration. This is because most companies do really classify their information and besides time will equally hinder us from demonstrating the usefulness of this program on an extensive basis.

1.4 SIGNIFICANCE OF STUDY.

The importance of profit and loss account in any business organization cannot be over emphasized. These account is the basis for which business are measured in profitability, growth, performance, and other key values/improvements. Often it is wise to compare performances over periods to aid planning and application of resources. The program will thus aid this analysis and ensure that the cumbersome and ineffective manual approach is done away with.

1.5 DEFINITION OF TERMS

Profit and loss Account: This is an account that shows the profit and loss made in a specified period in the past

Balance sheet: This is the financial statement that shows the assets and liability of an organization at a point in time.

Income Accounts: This refers to all the revenue generating accounts, like Commissions and charges or interest paid by customers for overdrafts etc.

Expenses Accounts: these refer to all the various purchases of consumables made in the course of operation.

Expenditures: These refer to all the assets acquired by the organization for future production.

CHAPTER TWO

2.0 LITERATURE REVIEW

2.1.0 AN OVERVIEW OF ACCOUNTING

2.1.1 INTRODUCTION

Financial accounting can be defined as the process of collecting, recording, presenting and analyzing/ interpreting financial information for the users of financial statements.

Accounting is often said to be the language of business. It is used in the business world to record and or communicate the transactions entered into by all kinds of organizations. The actual record -making phase of accounting is usually called bookkeeping, which can be defined as a systematic recording of business transaction in monetary terms. Accounting extends far beyond the actual keeping of records to the use to which such records are put into analysis and interpretation. Virtually every formal organization has an accounting system that gathers economic information about its activities, summarizes the information and communicates it to interested parties.

Accounting is not, however an end in itself, it is a process that is intended to provide information for financial decision-making by those interested in the affairs of a reporting organization. The principal object of accounting may therefore be concisely stated under two heads, viz:

- ✓ To keep records of (a) Income and (b) Cost Expenses in such a manner that a net profit or loss for any selected period may really be ascertained.
- ✓ To keep records (a) Assets and (b) Liabilities in such a way that the financial position of the undertaking at any point in time may really be ascertained.

2.1.2 CLASSIFICATION OF ACCOUNTS

There are two broad classifications of accounts. These are:

Personal Accounts.

Impersonal Account..

Personal Accounts. These are the accounts of persons, corporate, entities who have business dealings with the organization. Its comprises debtors' accounts, creditors, capital account and bank account. A debit balance on a personal account is an asset and represents the right to receive money in the future. A credit balance is a liability, and represents the obligation to pay money in the future.

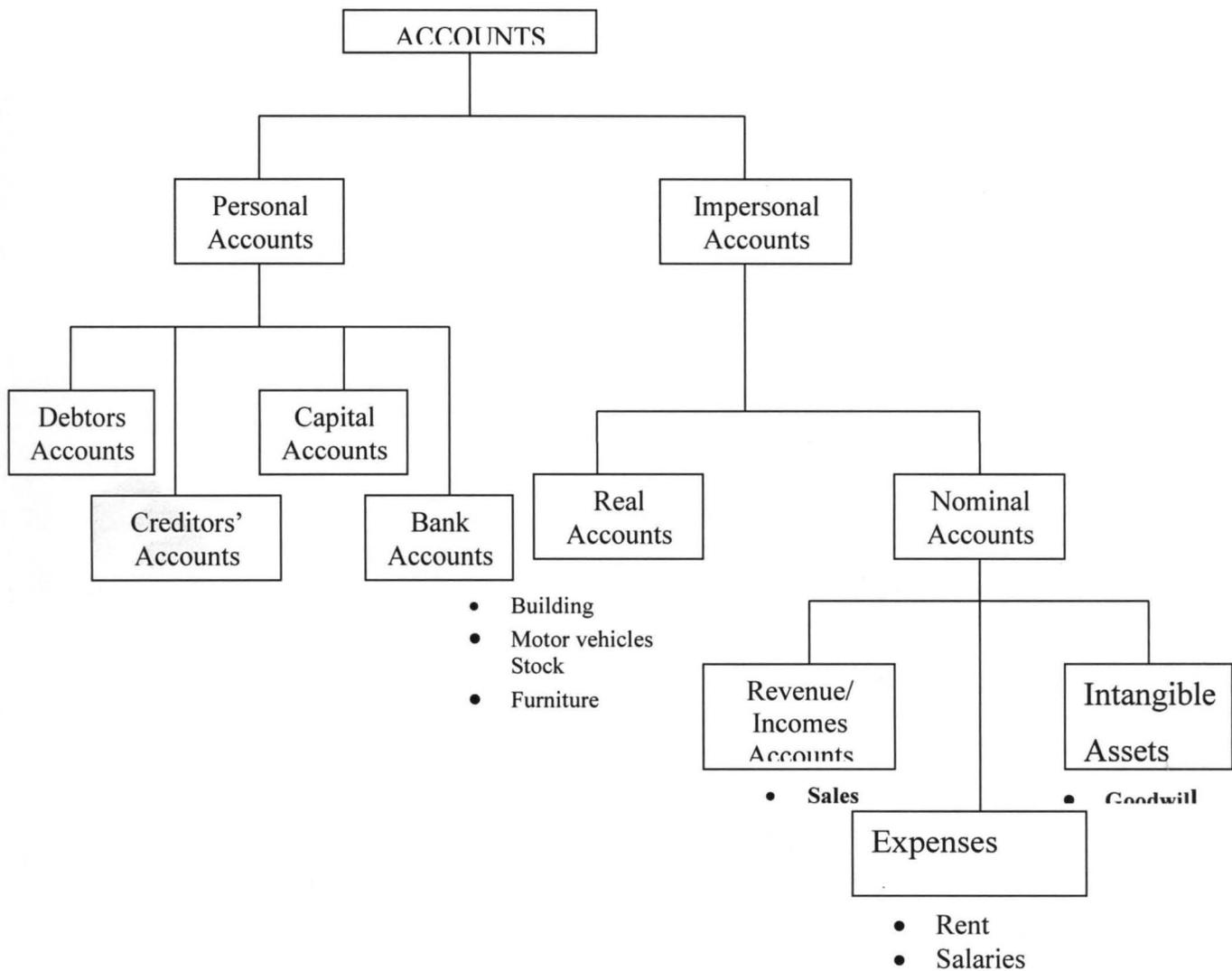
Impersonal Accounts are the account of non-persons. Impersonal accounts are future sub-divided into:

Real Accounts

Nominal Accounts

Real Account: represents tangible assets such as buildings, motor vehicles, stock and furniture, or items of property. The balance on a real account must (in normal circumstances) always be in debit. For example, when motor vehicles, furniture or plant and machinery are purchased real account under these headings are debited.

Nominal accounts: These are elated to revenue /income, expenses and intangible assets, example includes: sales accounts, and discount-received account which with can be diagrammatically represented as follows: -



2.1.3 DOUBLE ENTRY PRINCIPLE

Transactions are recorded or posted to the ledger in line with **double-entry principle**. It is a method of record keeping that recognises the double effect of financial transactions. This principle requires that the double effect of every transaction should be recorded by posting a debit entry to one account and a corresponding credit entry to another account. This is why is sometimes said that: **“for every debit entry, there is a corresponding credit entry and vice versa”**.

The systems of recording under the double entry system of book keeping are to:

Identify the two accounts required

Identify the account, which is receiving the value of the transaction and the account, which is giving the value.

Debit the receiving account with an equal amount of value

Credit the giving account with an equal amount of value

It should be noted that for every transaction, one account is receiving value and another giving value. That is, every financial transaction involves an exchange of values. Each party to a transaction gives out a value and receive a different value in return. Consequently, in recording financial transactions, recognition is given to each of these sides.

Transaction may be divided into two main groups.

- The first group consists of those, which do not produce any change in the amount of the assets. Assets and liabilities may be increased or decreased by the same amount e.g. a trader may borrow money and, at a later date repay the loan. When he borrows, he increased his assets by cash, which he can obtained and he increased his liabilities by assuming the obligation of repaying the lender. When he repays, the liability is extinguished and his assets (cash) are reduced by the payment. If one asset is replaced by another asset of equal value, the surplus of assets over liabilities remains the same, but there has been a change in two assets. For example, if a motor van is acquired and paid for in full, one class of assets (motor van) has been increased while another (cash) has been reduced. In each of these cases, although there is no alteration as in excess of assets over liabilities, two changes have occurred and there are therefore two aspects, both of which are recorded.
- The second group of transactions consists of those, which involve an increase or decrease in net assets. These include all transactions, which involve profit or loss. It is necessary to show the profit or loss under the appropriate heading and also the change in asset or liability that result from it. The net profit for a period

will be added to the capital account or if there is a net loss, this will be deducted. The capital account is thus kept in step with changes in the amount of the net assets.

2.1.4 FUNDAMENTAL ACCOUNTING CONCEPT/PRINCIPLES

In the business world, organization of all kinds operate using accounting languages, terms, and concepts to mean something different from what they actually are in ordinary language. This framework of ideas, terms and accounting languages make up the system of rules and conventions, which accountants observe when compiling statements. In choosing a particular set of rules to follow in accounting report, objectivity is the guiding principle. However, a report is said to be objective when it is not biased but meets with consensus opinion. Some of the concepts are as follows:

- ✓ Historical Cost
- ✓ Money Measurement
- ✓ Going Concern
- ✓ Entity
- ✓ Realisation
- ✓ The Dual Aspect
- ✓ Accrual or Matching
- ✓ Periodicity
- ✓ Prudence

Historical Cost Concept.

The resource that is given out to acquire goods and services is known as cost. The Historical cost concept holds that cost is the appropriate basis for initial recognition of all assets, acquisitions, service rendered/received, expenses incurred, creditors' and owners' interest, and, it also holds that subsequent to acquisition, cost values are

retained throughout accounting process. For a going concern, the asset acquired by the business is recorded at cost and not for market value. For example, a business might have acquired a motor vehicle before the introduction SAP in 1986 at ₦ 20,000. As it well known that, the prices of vehicles like other items have gone up since. Although, the same vehicle this year may be worth ₦ 200,000, historical cost principle requires that the vehicle be carried at the cost of ₦ 20,000 less any depreciation (due to wear and tear of the vehicle). In this case the change in purchasing power of naira is ignored. If a business decides to liquidate, what matters are the current value of the assets rather than the historical value.

Money Measurement Concepts

Accounting is concern with those facts that can be monetarily measured with a fair degree of objectivity. This concept does not recognize the caliber of management, morality and level of market occupied by the organization if it has no monetary value. The money measurement concept therefore recognized that the only common factor to different assets and liabilities of business is the monetary value. This concept however suffers two defects. Firstly the importance of using money to compare different assets and liabilities is considerably reduced in times of inflation.

Secondary, only things that have monetary value can be measured. This means that other crucial factors to the on-going success of an organization. Such as the ability of management or the state of industrial relations, are outside the scope of accounting reports.

Going Concern Concept

The assumption is that the business will operate in perpetuity; that is the business is not expected to be liquidated in the foreseeable future. A business is considered a going concern if it is capable of earning a reasonable net income and there is no intention or threat from any source to curtail, significantly, its line of business in the

foreseeable future. The concept avoids stating the assets at a break-up or liquidation value.

Entity Concept

From accounting point of view, each business organization is treated as separate economic entity. Irrespective of its legal form of existence, its business transactions are treated differently from the transaction of any other business and those of the owners and other people connected with the business. This concept is particularly important in Nigeria because, many of the businessmen often fail to separate their personal expenses from the expenses of the business.

The Realization Concept

This concept relates to the process by which revenue is recognized and recorded. Here, revenue is earned when:

The earning process is complete when there is an objective evidence of the amount of revenue earned.

The Dual Aspect Concept

This concept divides accounting into two aspects. One side represent asset of the firm and the other represent the claim by others on the firm. It went further to show that the two aspects or sides are always equal to each other. This can be summarized as followed:

$$\text{ASSETS} = \text{LIABILITIES} + \text{CAPITAL}$$

This type of recording is referred to a double entry accounting or bookkeeping.

The Accrual Concept or Matching Concept

This concept means that to determine the profit with reasonable degree of accuracy in the financial year, the revenue is match-up with the expenses, provided they belong to the same time period.

In presenting the profit and loss account, the expenses that have been incurred but not yet recorded are calculated or estimated and entered in accounting as an accrual. If part

or the whole expenses relates to future period, an estimate must be made of the amount of payment, and only that part relating to the account under consideration is entered as expenses.

Payment and accrual are shown in the balance sheet at the end of the accounting period under current assets and current liabilities, respectively.

Periodicity Concept

This concept requires that a business should render an account of its activities at regular intervals (usually one financial year) and that the changes in financial position be measure over these periods. This is to enable the decision makers to compare the business operation over time.

The Prudent Concept

This concept demand exercising great care in recognition of profits whilst all known losses are adequately provided for. This is however, not a justification for the creation of secret or hidden reserves. Revenue should not be recognized until they are realized. On the other hand, all foreseeable losses should be provided for, by changing them to the current period's profit and loss account. It is in compliance with this convention that such provisions as provision for bad/doubtful debt and provision for unrealized profit are made. A strict application of prudence convention would ensure that profits and assets of the firm are not overstated.

2.1.5 ACCOUNTING CONVENTION

The accounting concept have been accepted and assimilated over the years in the business world. The concepts however are capable of being interpreted in many ways. Overtime, generally accepted approaches to the application of the concept have been emerged. These generally acceptable approaches are known as the CONVENTIONS OF ACCOUNTING. It includes:

- Materiality
- Conservatism
- Consistency
- Substance Over Form
- Objectivity
- Fairness

Materiality

The principle holds that only items of material values are recorded in their strict accounting treatment. It requires accountant to communicate only accounting information that will materially affect decision to be taken. This means that while amounts that are relatively small in value must be accounted for, they do not have to be separately reported if they would not influence the decision to be taken. However, the line between 'material' and immaterial requires the exercise of considerable judgment for what is material in a small business may be immaterial in a large undertaking.

Consistency

Usually there is more than one way in which an item may be treated in accounts without violating accounting principles. The concept of consistency holds that when a company selects a method. It should continue (unless conditions warrant a change) to use that method in subsequent periods so that a comparison of accounting figures over time is meaningful. It ensures that the accounting treatment of like items is consistent taking one accounting period with another.

Conservatism

Where there are alternative figures for a particular item, A problem always exists for the correct choice. The convention of conservatism therefore appears to have addressed these problems, by stating that the figure to be taken and recorded for accounting purposes be the one, which will understate rather than overstate the profit of the business entity. Put differently, figures to be chosen should show the capital at lower

amount rather than higher amount. This convention wants all losses recorded in the books but profit should not be anticipated by recording them prematurely.

Substance Over Form

Although business transactions are governed by legal principles, they are nevertheless accounted for and presented in accordance with their substance and financial reality and not merely with their legal form. The aim of this convention is to prevent organization from distorting their result by dogmatically following the letters of the law instead of showing what the organization has really being doing.

Objectivity

This principle requires accountant to use accounting figures that can be determined as much as possible on a definite factual basis rather than personal opinion. For example, the cost of equipment can be determined objectively by reference to the purchase price. However, how the equipment can be sold later in the market is a matter of personal opinion.

Fairness

This is an extension of the objectivity principle. In view of the fact there are many user of accounting information, all having differing needs, the fairness principle requires that accounting reports should be prepared not to favour any group or segment of society. To be fair and objective, the accountant must prepare the financial statement in line with generally accepted accounting principles (GAAP) as represented by accounting concepts and conventions. This ensures that the same set of financial statement will be available to the various users of accounting information.

2.1.6 ACCOUNTING BASES

These are the totality of methods adopted or developed by the firm applying the fundamental accounting concepts to its financial transactions, and items for the purpose of financial accounts; particularly for determining the accounting periods in which revenue and costs should be recognized. It is also for

determining the amount at which material items should be stated in the balance sheet. Accounting bases provide for an orderly and consistent framework for the periodic reporting of the results and financial position of a business. There may be more than one recognized accounting bases for dealing with a particular item. For instance, straight-line method, reducing balance method and so on could be used in calculating depreciation.

2.1.7 AN ACCOUNTING POLICY

This is the specific accounting bases selected and consistently followed by a business entity to be most appropriate to their circumstances and for the purpose of preparing the financial accounts. In other words, when a firm selects and consistently follows certain specific accounting bases they become the accounting policies. This choice requires subjective judgment of the management who should be guided by circumstances appropriate to the firm and best suited to present the true and fair view of its results and financial position.

2.2.0 JOURNAL

2.2.1 INTRODUCTION

Once data from transactions have been collected and analyzed, the data can be entered into journal. The journal is considered the initial component of the formal accounting system and is often called the book of original entry. A journal is also known as daily book, subsidiary book or prime book. Whatever name it goes by, a journal is an accounting book in which daily transactions of a business are recorded in a chronological order.

Data are collected in journal transaction thereby establishing a complete, self-contained, and chronologically consistent record. The process of entering transactions into the journal is called journalizing. The effects of each transaction are recorded by a double-entry in the accounts called a **Journal entry**.

2.2.2 TYPES OF JOURNAL

There are basically two types of journal, namely:

- **Specific Journal (e.g. sales or purchase) and**
- **General Journal**

This broad classification is informed by the fact that the journal records the daily transactions of a business. It then follows that transactions that have daily regularity of occurrence are recorded in specific journals while those that do not occur quite frequently on daily basis are recorded in the General journal..

The specific journal has the following format:

Date.....

.....JOURNAL

DATE	PARTICULARS	REF.	AMOUNT

The above Journal is customized to suit a particular purpose by being titled accordingly. It makes no attempt at determining whether an entry is credit or debit. This is quite unlike the General Journal that enters transactions according to whether they are debit or credit.

The General journal has the following format:

Date.....

GENERAL JOURNAL

DATE	PARTICULARS	DR.	CR

In writing up the General Journal, debit entries are entered first before credit entries, which are usually indented. These entries two complete the recording of

a relative transaction and are usually conducted with a narration that describes the nature of the transaction.

2.2.3 MAIN FEATURES OF A JOURNAL

- ✓ A journal normally has columns to record:
 - ❖ The date of each transaction
 - ❖ The name of the relevant account to debited and credited.
 - ❖ The account page or numbers where the relevant entries are made in the ledger accounts.

The amount of debit for the account to be debited

The amount of credit for the account to be credited

The name of account to be debited is written on the first line of every entry. The corresponding amount of the debit is written on the same line in the debit column. The name of the account to be credited is entered on the line below the debit entry and it is indented; that is set apart from the account to be debited. The amount of the credit entry is entered on the credit column on the same line as the name of the credit account. Usually each entry is completed with a narration of what the entry is all about.

2.2.4 TYPICAL USES OF THE JOURNAL

- ❖ The purchases and sales of fixed assets on credit
- ❖ The correction of errors
- ❖ Opening entries – These are the entries needed to open a new set of books.
- ❖ Transfer from one account to another.
- ❖ Taking of goods by the owner from the business for his private use; and any other transaction, which cannot be recorded in any of the other subsidiary books.

2.2.5 BENEFIT DERIVABLE FROM THE USE OF THE JOURNAL

PROPER

- ✓ Each journal book is a kind of diary for transactions, which fall outside the ones recorded in other subsidiary books.
- ✓ The journal book gives explanation for each entry through the 'narration' attached to each journal entry.
- ✓ The journal books also serves as a book of instruction in that it tells the bookkeeper which account to debit or credit.
- ✓ The Journal is not an integral part of the double entry bookkeeping system. It is purely a form of diary and entering an item in the journal is not the same as recording an item in an account.

2.2.6 ILLUSTRATION OF ENTRIES

Each of the following three transactions is used to illustrate the principles of journal entries when:

- ❖ We have one debit entry and one credit entry
- ❖ We have two debit entries and one credit entry
- ❖ We have one debit entry and two credit entries please note that the references of the accounts are left out in these examples:-

Transaction 1: Jan. 3: Taiwo okun proprietor of a business bough in investment of ₦ 100,000

Transaction 2: Jan. 15:The proprietor the business brought equipment worth ₦100,000 from Ekpeyong Harrison for the use of the business. Out of this amount, 70,000 cash was paid while the balance is due within 90 days.

Transaction 3: Jan. 20: The business sold goods worth ₦ 30,000 to customer Koye Okocha who paid cash of ₦ 5,000 and promise to pay the balance later.

SOLUTION

Date	Account Titles and Narrations	DR	CR
Jan.3	Cash Capital Being the capital introduced by the proprietor	₦ 100,000	₦ 100,000
Jan. 15	Equipment Cash Ekpeyong Being the equipment purchased and part-payment for the equipment	100,000	70,000 30,000
Jan. 15	Cash Koye Okocha Sales	25,000 5,000	30,000

2.3.0 LEDGER

2.3.1 INTRODUCTION

The book in which the double entry records are kept is called the ledger. Each page of a ledger is divided by vertical line running down the middle. The left-hand side is known as the debit side and the right hand side as the credit. The distinction is sometime indicated by the symbols 'Dr' and 'Cr' representing debit and credit, respectively, at the head of each page.

The accounting record that contains the accounts that appear in the financial statement is called the general ledger. In a large entity, the general ledger is

usually supported by a number of subsidiary ledgers. A ledger provides supporting details for a specific account in the general ledger. Subsidiary ledger is normally maintained for such accounts as receivables, payables, inventory and property, plant and equipment, ledgers, etc. The general ledger account that contains the total of the subsidiary ledger account balances is called a control account.

The process of transferring journalized transactions into the ledger is called posting. Posting is accomplished by transferring into the ledger accounts the data recorded in journal entries. Each amount indicated in the debit column of the journal is posted by entering it on the debit side of the account while the amount indicated on the credit column is taken to the credit side of the indicated account.

For example, A firm purchases ₦= 3,500.00 inventory for cash and prepare the following journal entry:

Purchases..... ₦3, 500
 Cash ₦3, 500

This entry would be posted to the ledger as follows:

₦	₦	₦	₦
Inventory 3,500		Cash 3,500	

Example. The proprietor starts the firm with 100,000 in cash on 1st August, 2002.

Cash Account	Capital Account
₦	₦
Aug. 1 Capital 100,000	Aug. 1 Cash 100,000

A motor Van is brought for ₦ 202,200 Cash on 2 August 2000

Cash	Motor Van
₦ Aug., 2 Motor Van 202,200	₦ Aug., 2 Cash 202,00

2.3.2 BALANCING OF AN ACCOUNT

At the end of accounting period, the balance of an account is determined by comparing the sum of the debits to the sum of the credits (**the smaller sum is subtracted from the larger sum, and the difference is entered on the side of the smaller sum as the account balance**). It is used for the purpose of preparing the “Trial balance” to know the net effect of the entries on both side of the account. The difference between the total of all the debit entries and the total credit entries is what is known as the balance of the account. If the total value of the debit entries is greater than the total value of credit entries then we have a debit balance. Conversely, if the total value of the credit entries is greater than the total value of debit entries we have a credit balance on the account.

To balance an account, the following steps are required:

- Add up the entries on the both side
- Into the side with the lower total, insert the balancing figures to make both sides agree, describing this figure as “balance carried down” or “balance c/d” now both sides will have the same totals and these should be written on the same line irrespective of the number of entries on the either side
- Immediately below the total line, the balancing figure should be shown on the side opposite to that into which it was inserted per (ii) and now described as “balance brought down” or “balance b/d”

- Where an account has only one entry, it shall be balanced by inserting this amount in the opposite side as “balance carried down”. Both sides are then closed off with double lines. Below the double lines, the balance will be shown on the same side as the original entry and described as balance “brought down”
- Where the total obtained on both sides per (I) are equal, this means that the account has no balance to be carried down. The two totals should be written on both sides on the same line.
- Where the total on the both sides is higher than the total on the credit side, the account is said to have a debit balance. Where the opposite is the case, the account is said to have a credit balance.

Illustration: The cash account in the books of Baba Johnson had the following entries in the month of January 2000.

CASH ACCOUNT

	₦		₦
Jan., 13 Capital	100,000	Jan., 15 February,	70,000
Jan., 20 Sales	20,000		

You are required to balance account at 31st January 2000

Solution

<u>CASH ACCOUNT</u>			
	₦		₦
Jan., 13 Capital	100,000	Jan., 15 Equipment	70,000
Jan. 20 Sales	<u>20,000</u>	Jan., Bal. c/d	<u>55,000</u>
	<u>125,000</u>		<u>125,000</u>

From the above, it can be seen that the Cash Account had a debit balance of ₦ 55,000 as at 31st January 2000.

2.3.3 THE BASIC ACCOUNTING EQUATION

The accounting equation or balance sheet equation simply reflects the fact that the assets of a business must be equal to the claims over the assets at any point in time.

For a business organization, which does not owe any liabilities to persons other than the owner, it is obvious that the owner has the exclusive claim over the assets of the business. In this instance, the equation is”

$$\text{Assets} = \text{Capital}$$

For a business that also owes liabilities to external parties, the claims over the assets consist of capital and liabilities and the equation is then expressed as:

$$\text{Assets} = \text{Capital} + \text{Liabilities}$$

Another way of expressing the second equation is to move the liabilities to the left hand side as follow

$$\text{Assets} - \text{Liabilities} = \text{Capital}$$

Since assets less liabilities are equal to net assets, the last equation can be expressed as:

$$\text{Net Assets} = \text{Capital}$$

This two-fold is the basis of the Balance Sheet. The equation holds true irrespective of the nature or size of a business organization. On the balance sheet the net assets will always be equal to capital. In a limited liability company, the capital side of the equation is shared holders funds.

Assets are the resources owned by the firm, while equities related to the sources of funds for the assets. Equities are claims against the enterprise. Sometimes, the enterprise has to go out to get money from other people who are not owners. Claims of owners against the company are called shareholders’ equity while claims of outsiders (creditors) are called liabilities.

Owner's interest in a company is called paid-up-capital. This increase with profits generated from operations and ploughed back into the business.

2.3.4 DEBIT AND CREDIT/ EQUATION OF DEBIT AND CREDIT

In every accounting entry, debit refers to the left - hand side while credit is the right hand side of an account. Increases in Assets are recorded on the left (debit) side while increases in the value of equities and liabilities are recorded on the right hand (credit) side. Similarly, to decrease an asset, we credit and to decrease a liability we debit.

To increase an asset, we debit to increase an equity (or liability) we credit.

Assets		Equities or liabilities	
Dr	Cr	Dr	Cr
+			+

To decrease an asset, we credit and to decrease an equity or liability we debit.

Assets		Equities or liabilities	
Dr	Cr	Dr	Cr
	-	-	

Assets		Equities or liabilities	
Dr	Cr	Dr	Cr
+		-	
Increase		Decrease	
	-	+	
	Decrease	Increase	

EQUATION OF DEBIT AND CREDIT

In any transaction, what is given up must be equal to what is received. If WMDS buys a calculator for ₦ 500, two accounts are affected. Cash and office equipment; one decrease and the other increases; Cash decreases by ₦ 500 and office equipment increases by ₦ 500

Office Equipment		Cash Account	
Dr	Cr	Dr	Cr
Cash	₦ 500		Office Equipment 500

If WMDS collect a realm of duplicating paper on credit, two accounts are affected – stationary Account and Account payable. Stationery is an asset, and account payable a liability

Stationery		Account Payable	
Dr	Cr	Dr	Cr
A/C Payable	₦ 500		Stationary 500

For each transaction, the debit must be equal to credit.

2.3.5 TRANSACTION ANALYSIS

In every transaction, two things happen:

- Equal increase and decrease in assets
- Equal increase in assets and liabilities
- Equal increase and decrease in equities (capital)
- Equal decrease in assets and liabilities.

2.3.6 MAINTAINING EQUALITY

For as many transactions as are carried out, this principle of equality continues to hold hence the balance sheet must balance.

The following table summarizes the location of increases and decreases in cash of the five major types of T- accounts:

<u>ACCOUNT</u>	<u>NORMAL BALANCE</u>	<u>DECREASE</u>
Asset	Debit (left)	Credit (right)
Liability	Credit (right)	Debit (left)
Equity	Credit (right)	Debit (left)
Revenue	Credit (right)	Debit (left)
Expenses	Debit (left)	Credit (right)

2.4.0 TRIAL BALANCE

2.4.1 INTRODUCTION

The starting point for the discussion of this topic is the re-statement of the accounting rule, which states from every transaction there must be one debit and one credit entry.

In other words, every debit entry has a corresponding credit entry. For the purpose of drawing the trial balance, it can now be seen that the rule still holds, but would better stated, as “for any transaction, total debit entries should equal total credit entries“. Instead showing the total debit and credit for each account, it is preferable to record only the difference between them – the balance since this would give the necessary figure for each item required for the balance sheet.

2.4.2 MEANING OF TRIAL BALANCE

Trial Balance can be defined as a list of non-zero balances extracted from a book keeping system and arranged as to whether they are debit or credit. It is used to test the arithmetic accuracy of the entries made in the ledger accounts Trial balance is also a check on whether the rule for making entries in account has been followed.

In a summary, trial balance can be defined as “ the list of accounts’ balances at given point in time drawn up to test arithmetic accuracy of accounting entries

The debit balances are shown under the debit column and the credit balances under the credit column, the failure of the totals to agree is therefore an indication or error (s) in the entries.

2.4.3 ADVANTAGES/REASONS FOR TRIAL BALANCE

The Trial balance serves two purposes:

- It serves as a check on the “arithmetic accuracy of the entries”
- It is the basis upon which the Trading and Profit and Loss Account and Balance Sheet are drawn up.
- It must be emphasized, however, that the agreement of the trial balance does not mean there are no errors in the entries as there are some errors, which will not prevent the trial balance from agreement
- To be able to have a clear grasp of the numerical perspective of the study of extraction of trial balances we should commence by balancing off accounts. This as earlier stated will help us to avoid having both debit and credit in respect to one account. Let us there consider a hypothetical case as shown”

Bank A/C		Capital A/C	
Dr	Cr	Dr	Cr
N		N	N
Capital 25,000	Furniture 5,000	Bank 1,000	Bank 25,000
Debtor 4, 000	Capital 1,000	Bal. c/d 24,000	/
	Bal. C/f 23,000		/
<u>29,000</u>	<u>29,000</u>	<u>25,000</u>	<u>25,000</u>

2.4.4 ERRORS THAT DO NOT AFFECT TRIAL BALANCE

The objective of the Trial balance is to test the arithmetic accuracy of entries made in accounts. However, it would be correct to assume that, merely because the two totals are the same, no error of any kind has been committed. It means that certain types of error have not been made; but there are several types of error that will not affect the balancing of a trial balance. These errors are:

- Error of Omission
- Error of Commission\
- Error of Principle
- Compensating Error
- Error of Original Entry/Transposition
- Error of Complete Reversal of Entry.

Error of Omission

This error occurs when a transaction is completely omitted from the book of accounts. A common reason for this is the loss or mis-placement of the source document for transaction. For example, if goods worth =N=90 is sold to J.Ndidi, but was not entered in the sales or Ndidi's personal account, the trial balance would still 'balance'.

Error of Commission

This error occurs when the transaction entered the wrong account within the correct class of accounts. For instance, a transaction entered into with one customer or supplier may be recorded in the personal account of another customer or supplier. For example, where a sale of =N=1000 to K. Effiong is wrongly entered in the personal account of F Effiong instead of the personal account of K. Effiong. It will be noted that the correct class of account was used both the accounts concerned being personal accounts.

Error of Principle

This is an error whereby a transaction is entered in the wrong class of account. For example, the cost of motorcar acquired is debited to a motor expenses account (a nominal account) instead of motor vehicle account (a real account).

Compensating Error

This error occurs when on one account is cancelled out by another error in another account. For example, if the sales account was overcast by =N=500 and, later, a debit entry to wages account is overcasted by =N=500, the two errors would cancel out each other in the trial balance.

Error of Original Entry

This error occurs where the original figure is incorrect, yet double entry is still observed using this incorrect figure. An instance of this could be where there were sales of =N=150 goods but an error is made in calculating the sales invoice. If it was calculated as =N=130 and =N=130 was credited as sales and =N=130 debited to the personal account of the customer, the trial balance would still balance.

Complete Reversal of Entry

This error occurs when the double entry for a transaction is reversed resulting in a situation whereby the account that ought to be debited is credited and the account that ought to be credited is debited. For example, suppose a cheque had been paid to D. Victor for =N=500, the double entry of which is credit bank =N=500, debit D. Victor =N=500 and in error it was entered as credit D. Victor =N=500 and debit Bank =N=500. The trial balance will still agree.

2.4.5 CORRECTION OF TRIAL BALANCE ERRORS

When these errors are found they have to be corrected. The entries have to be made in the double entry accounts. In addition, an entry should be made in the journal to explain the correction. One of these for each type of error can now be examined.

Error of Omission

The sale of goods, =N=59 to E. Ojo has been completely omitted from the books. This must be corrected by entering the sale in the books.

The Journal

	Dr.	Cr.
E. Ojo	=N=	=N=
Sales Account	59	59
Correction of Omission of sales invoice No.....from Sales Journal.		

2. Error of Commission

A purchase of goods, =N=44 From C. Kanara, was entered in error in C. Kamarake's account. To correct this, it must be cancelled out of C.

Account. The double entry will be:

<u>C.Kamarake</u>		
=N=		=N=
Sept. 30 C. Kanara: 44	Sept. 30 Purchases	44
C. Kanara		
		=N=
Sept. 30 Purchases:		
Entered original in C.		44

The Journal entry will be:

The Journal

	<u>Dr.</u>	<u>Cr.</u>
	=N=	=N=
C. Kamarake	44	
C. Kanara		44
Being Purchase invoice No.....entered in wrong Personal account, now corrected		

3. Error of Principle

The purchase of a machine for =N= 200, is debited to purchase account instead of being debited to a machinery account. The item must be cancelled out of the purchases account by crediting that account. It is the entered where it should be, by debiting machinery account.

The Journal

	<u>Dr.</u>	<u>Cr.</u>
	=N=	=N=
Machinery Account	200	
Purchase Account		200
Being purchase of fixed asset debited in error to purchases account, now Corrected.		

4. Compensation Error

The sales and wages account are overcast by =N= 200, respectively,

The Journal

	<u>Dr.</u>	<u>Cr.</u>
	=N=	=N=
Sales Account	200	

Being correction for overcast of =N=200 each in the sales

Account and wages account, which compensated for each other.

5. Error of Original Entry

A sales of =N=98 to A. Oragwu was entered in the books as =N=98.. The shortage of =N=9 will be accounted for thus:

The Journal

	Dr.	Cr.
	=N=	=N=
A. Oragwu	9	
Sales Account		9

Being corrected for error whereby sales were understated.

6 Complete Revenue of Entries

A payment for cash of =N= 16 to M Uka was entered on the receipt side of the of the cashbook in error and credited to M. Uka's account. This is somewhat more difficult to adjust. First, must come the amount needed to the to cancelled the error and, and then comes the actual entry because entry itself. Because this correcting entry is double the actual amount first recorded. Why this is so on now be seen:

		Cash	
=N=		=N=	
		M.uka	16

		M.Uka	
=N=		=N=	
Cash	16		

However what was wrongly is done

		Cash	
	=N=		=N=
M.Uka	16		

		M.Uka	
	=N=		=N=
		M. Uka	16

It can now be seen that the bookkeeping will have to entered double the original amount to correct the error. Half of the double amount will cancel out the original wrong entry while the remaining half will stand as the correct entry. The account will now look thus:

		Cash	
	=N=		=N=
M.Uka	16	M.Uka	32
Balance c/f	<u>16</u>		
	<u>32</u>		<u>32</u>
		Balance c/f	16

		M.Uka	
	=N=		=N=
Cash	16	Cash	16
		Balance c/f	16
	<u>32</u>		<u>32</u>
Balance c/f	<u>16</u>		

Overall, when corrected, the cash account showing =N= 16 debit and =N=32 credit means a net credit of =N= 16. Similarly, Uka's account shows =N=32 debit and =N=16. As the final (net) answer is the same as what should have been entered originally, the error is now corrected.

There are however errors, which will affect the agreement of the trial balance whenever they exist: that is they prevent the trial balance totals from agreement. They include the following:

- Casting Error – This occurs when adding up entries of the accounts resulting in understating or overcasting.
- Partial Reversal of Entry – This is an error whereby double –entry for a transaction is posted to the same side of the respective accounts. For example, salaries paid is correctly debited to salaries account but wrongly debited to the cashbook.
- Posting the debit or credit entry for a transaction without posting the corresponding opposite entry.
- Omission or mis-statement of the balance on an account when extracting the trial balance.

2.4.6 ADVANTAGES OF TRIAL BALANCE

- ✓ It proves the arithmetic accuracy of the bookkeeping system
- ✓ It confirms the complete observation of the double entry concept
- ✓ Its serves as a working paper in the course of preparing financial statement.
- ✓ Helps to detect errors.

2.5.0 CASH BOOK/BANK RECONCILIATION

2.5.1 INTRODUCTION

BANK RECONCILIATION

The terminology Bank Reconciliation refers to a check, which is made periodically (weekly, fortnightly, monthly or at a longer period) between the cashbook of a business entity and the statement of account provided by the Bank. Bank reconciliation is necessitated by the fact that from time to time record of the business (cash book) and that of the Bank (Bank statement) Fail to

synchronize. At this juncture however, reconciliation is evolved to harmonise and agree the two records.

The treatment of items in both the cashbook and the bank statement may be summarized as follows:

Description	Bank column of cash book	Bank statement
Receipts	Debit	Credit
Payment	Credit	Debit
Cash at Bank	Debit balance	Credit balance
Bank overdraft	Credit balance	Debit balance

To be able to carry out the exercise, we will first study the two main documents the cash bank (Bank Account) and the bank statement.

2.5.2 CASH BOOK

The cashbook contains a detailed record of all the money, which a business entity pays into and withdraws from her bank account with her bankers. Cashbook is therefore generally made of receipt and payment of cash or instrument of transaction both through the bank and direct dealing not passing through the bank. To satisfy our purpose, we are going to deal with either the bank column of the cashbook or separate cashbook relating specifically to the bank transactions.

There can be one, two or three columns depending on the merit of cash.

2-Column Cash Book

This cashbook is so-called because it has two columns, and each for bank and cash transactions. The two columns on the debit side record the receipt of money while the two columns on the credit side record payment of money. The bank column on the debit side records cheques received and cash paid into bank while the bank column on the credit side records payment by cheques. The cash

column on the debit side records cash received while the cash column on the credit side records cash paid.

Contra Entry

When the double entry for a transaction appears on both sides of the cashbook, this is called a “**contra Entry**”. Contra entries in the cashbook are made when cash is deposited into the bank account out of the cash in hand or when cash is withdrawn from the bank for the office use.

FORMAT OF A TYPICAL 2-COLUMN CASH BOOK

Date	Particulars	Cash	Bank	Date	Particulars	Cash	Bank
		N	N			N	N
1/1/X9	Balance b/d	X	X	1/1/X9	Furniture		X
2/1/X9	Bank	X		2/1/X9	Cash		X
3/1/x9	(contra)		X	6/1/X9	(contra)	X	
6/1/x9	Cornice	X			Wages		
	Sales			31/1/X9		X	X
					Balance c/d		

1/2/x9 Balance b/f X X

3-column cash Book

A 3-column cashbook has third column (in addition to the two columns for Bank and cash) for recording the cash discount allowed tom debtors and cash discounts received from creditors. A cash discount is the amount allowed off debts to encourage settlement of the debts within a specific period of time. The discount column on the debit side of the cashbook is for discount allowed to debtors while the discount column on the credit side records discount received from creditors. At the end of this period, the total of discount allowed column is transferred to the debt side of discount allowed account in the general ledger. In the same vain,

The accounting operational system (hand written or manual, mechanized and computerized) practiced notwithstanding, there exist a kind of co-relationship between the partner of the cashbook and the bank statement such as the various columns e.g. Dates, Particulars, debits and credits e.t.c.

Since the bank and the business entity (an account holder) maintain distinct double entries accounting, all things being equal both account should agree. It therefore means that the receipt of Cash Deposit will be posted in two accounts in the bank's book –Cash Account and Customers current account (Bank statement).

2.5.4 CAUSES OF DIFFERENCE BETWEEN CASH BOOK AND BANK STATEMENTS

An account holder operates a distinct double entry while the bank on the other hand operates a double entry. This therefore helps to settle and correct the misconception that bank statement forms the remaining part of the double entry already in the account holder's book. We will list and discuss underneath the possible factors, which could create difference between the bank statement and the Cashbook. They are:

- Time lag
- Un-presented cheques
- Un-credited cheques/Lodgments
- Bank charges
- Standing order
- Dishonoured Cheques
- Direct Cheques
- Dividend and interest received
- Direct debit

2.5.5 THE MECHANICS OF BANK RECONCILIATION

The reconciliation is always between the customers account (Bank Statement) with the bank and the Cash Book with Bank's customer. The foremost action in reconciliation is to check each entry made during the period in the Cash Book with the corresponding entry in the Bank Statement. It must therefore be remembered at all times that the details that are entered in the Cash Book are simply a reflection of the same detail in the Bank Statement. Having said this, it can be correctly concluded that if all the items entered into the cashbook during the period correspond with all the items in the Bank Statement during the same period, then balance in the cash must be **EXACTLY THE SAME** as the balance in the Bank statement. We will expect entries in the cashbook and the bank statement to be the same, though in opposite side to each other provided all additions and calculations had been made correctly. See the account below.

Cash Book (Bank Column)	
<div style="border-bottom: 1px solid black; padding-bottom: 5px;">2/1/2005 Capital <u>N 2,000</u></div> <div style="text-align: center; margin-top: 20px;">  </div> <div style="text-align: center; margin-top: 10px;"><u>2,000</u></div>	<div style="border-bottom: 1px solid black; padding-bottom: 5px;">3/1/2005 Anthony Oke Cheque 1 700</div> <div style="padding: 5px 0 5px 20px;">4/1/2005 M. Audu Cheque 2 900</div> <div style="padding: 5px 0 5px 20px;">5/1/2005 Nipost Cheque 3 100</div> <div style="padding: 5px 0 5px 20px;">Bal. c/d <u>300</u></div> <div style="text-align: right; margin-top: 10px;"><u>2,000</u></div>

Bank Statement (in T Form)	
<div style="border-bottom: 1px solid black; padding-bottom: 5px;">3/1/2005 Anthony Oke Cheque 1 700</div> <div style="padding: 5px 0 5px 20px;">4/1/2005 M. Audu Cheque 2 900</div> <div style="padding: 5px 0 5px 20px;">5/1/2005 Nipost Cheque 3 100</div> <div style="padding: 5px 0 5px 20px;">Bal. c/d <u>300</u></div> <div style="text-align: right; margin-top: 10px;"><u>2,000</u></div>	<div style="border-bottom: 1px solid black; padding-bottom: 5px;">2/1/2005 Cheque (U/E) <u>N2,000</u></div> <div style="text-align: center; margin-top: 20px;">  </div> <div style="text-align: center; margin-top: 10px;"><u>N 2,000</u></div>

Having presented a typical example of balanced Bank Statement and Cash Book, we will now present and reconcile here an unbalance case.

2.5.6 PROCEDURES FOR PREPARING BANK RECONCILIATION STATEMENT

Ensure that both the cashbook and statement are written up to the same date,
Which should be the reconciliation date.

Update the cash book

Prepare the bank reconciliation statement by using either of the following formats:-

FORMAT OF BANK RECONCILIATION STATEMENTS

FORMAT 1: starting with the adjusted cash book balance

	N
Balance per adjusted cash book	X
Add:- Unpresented Cheques	<u>X</u>
	X
Less: Uncredited Cheques/Lodgments	<u>(X)</u>
	X
Add/(deduct): Bank errors	<u>X</u>
Balance as per bank statement	x

FORMAT 2: starting with Bank Statement Balance

	N
Balance per Bank Statement	X
Less: unpresented cheques	<u>(X)</u>
Add: Uncredited cheque /Lodgment	X
Add/(deduct): Bank error	<u>X</u>
Balance pr adjusted cash book	<u>X</u>

Illustration:

Cash Book

11/12/98 Balance	B/F 1,000	14/12/98 Okere A.	100
14/12/98 M. Audu	500	16/12/98 Cash	100
31/12/98 Oke T.	600	17/12/98 Abu B.	300
		Balance c/d	<u>1,600</u>
	<u>N 2,100</u>		<u>N 2,100</u>

Bank Statement

Date	Details	Dr.	Cr.	Balance
11/12/98	Balance			N 1,000
13/12/98	Cheque (Uncleared)		500	1,500
14/12/98	Okere A.	100		1,400
15/12/98	Charges	200		1,200
31/12/98	Cash	100		1,100

Looking at the debit side of the Cash Book one item for N600 was not reflected on the Bank Statement. This is an uncredit cheque (Lodgment of cheque), which has probably been cleared. Another entry of note is cheque issued to Abu B., which may not have been presented for payment, this can be referred to as **UNPRESENTED CHEQUE**. The bank charge of N200 has not been posted in the cashbook and therefore reconciliation.

CASH BOOK

Certain items such as standing orders, dividend, interest and bank charges could be posted directly into bank statement without notifying the account holder. The starting point in this reconciliation is to post the bank charges of N200 into Cash

2.6.0 NATURE AND CONTENTS OF FINANCIAL STATEMENTS

2.6.1 INTRODUCTION

Financial statements are historical document derived from accounting records of an organization. They are meant to inform the readers and users of what happened in a specified period.

Section 334(2) of the Companies and Allied matters Decree (CAMD) 1990 stipulated that the statement of the companies shall includes:-

- Statement of accounting polices.
- The balance sheet as the last day of the year;
- A profit and loss account or in the case of a company not trading profit, an income and expenditure account for the year;
- Notes to the accounts;
- A statement of the source of and application of funds (cash flow statement)
- A value added statement for the year.;
- A five year financial summary; and
- In the case of a holding company, the group financial statements.

All statements are employed to aid in decision-making. However, for the purpose of this research we shall limit our scope to:

- Balance sheet and
- Profit and loss account
 - ❖ The profit and loss account shows the profit (or loss) made in a specific period in the past. It gives a true and fair view of the profit or loss of the company for the year.
 - ❖ The balance sheet shows the assets and liabilities of an organization at a point in time. It gives a true and fair view of financial position of the company as at the end of the year.

Attribute of ideal accounting information.

- To be useful, financial statement should have basis by which it can be compared and contrasted with the same statement from another organization.
 - The statement must be for a specific period i.e. it must be relevant.
 - It must be objective i.e the facts and figures must be such that they can be verified from a reference point.
 - It must give room for evaluation for trend flowing from the past to the present and relating to the future.
 - Timeliness.
 - Completeness.

2.6.2 BALANCE SHEET

A Balance sheet is a statement that shows the assets and liabilities of an organization at a particular point in time. It describes the resources under the companies control at a specified date. And indicates where resources have come from.

- ✓ **Assets:** - Assets are possession of the organization; they are valuable right owned by the company.
- ✓ **Liabilities:** - Liabilities are debts the organization owes. The are funds that have been provided by the outside lenders and other creditors in exchange for the company's promise to make payments or provide services in future.
- ✓ **Shareholder's funds (capital):-** Funds that have been provided by the company's owners plus accumulated reserves.

Both assets and liabilities have short term (current) and long-term (fixed) component. The short term (current) components are for a relatively short time lasting for a maximum of one year. They are made up of consumables and variables. The long-term (fixed) components are for several years.

Balance Sheet Format

A balance sheet is traditionally prepared with two sides – assets on one and liabilities on the other. The name of the organization, document and period are indicated on the top of statement.

Horizontal (“T”) format

JAMES ENTERPRISES

BALANCE SHEET AS AT 31ST DECEMBER, 2002

	N	N	N		N	N	N
<u>Owner’s Equity</u>				<u>Fixed Assets</u>	<u>Cost</u>	<u>Acc.</u>	<u>NBV</u>
						<u>Depn.</u>	
Capital			X	Land and Building	X	X	X
Net Profit			X	Plant & Machinery	X	X	X
				Furniture & Fittings	X	X	x
				Motor Vehicles	<u>X</u>	<u>X</u>	<u>X</u>
Drawings			<u>(X)</u>				
			X		<u>X</u>	<u>X</u>	<u>X</u>
Long-term Liabilities				Current Assets			
Bank Loans			X	Stock		X	
				Trade debtors	X		
Current Liabilities				Prov. Bad debts	<u>(X)</u>	X	
Trade Creditors		X		Prepayment		X	
Accrued Expenses		X		Accrued incomes		X	
Income received in advance	X			Bank		X	
Bank overdraft		<u>X</u>		Cash		<u>X</u>	
			<u>X</u>				<u>X</u>
			<u>X</u>				<u>X</u>

The total amount of liabilities must be equal to the total amount of assets otherwise it is not balanced. Somehow, this horizontal format is being phased out. The vertical format is now in use.

In practice, the statement is made with the previous year's figures side by side the current year. This is for purpose of comparison for decision-making.

Vertical format

JAMES ENTERPRISES

BALANCE SHEET AS AT 31ST DECEMBER, 2002.

	N	N	N
	Cost	Acc. Depn.	NBV
<u>Fixed Assets</u>			
Land and Building	X	X	X
Plant and Machinery	X	X	X
Furniture and Fittings	X	X	X
Motor Vehicles	X	X	X
	<u>X</u>	<u>X</u>	<u>X</u>
	<u>X</u>	<u>X</u>	<u>X</u>
Investments			
<u>Current Assets</u>			
Stock		x	
Trade debtors	x		
Less: Provision for bad debt	<u>(X)</u>		
		X	
Prepayments		X	
Accrued income		X	
Bank		X	
Cash		<u>X</u>	
		X	

Less Current Liabilities

Trade creditors	X	
Accrued expenses	X	
Income received in advance	X	
Bank overdraft	<u>X</u>	
Working capital	(X)	
		<u>X</u>
		X

Long – term Liabilities

Bank loans		(X)
Net assets		<u>X</u>

Financed by

Owner's Equity		X
Capital		<u>X</u>
Add: Net profit		X
Less: Drawings		(X)
		<u>X</u>

2.6.3 PROFIT AND LOSS ACCOUNT

The profit and loss account presents the summary and outcome of operations over a given period. It states the revenues and expenses over the period. The difference between revenue and expenses gives either a profit or loss.

Thus:

Where $R > E = \text{Profit}$

Where $R < E = \text{Loss}$

Horizontal (“T”) format

James Enterprises

Trading and profit and loss account for the year ended 31st December,2002.

	N	N		N	N
Opening stock		X	Sales		X
Purchases return	X		Sales returns		(X)
Carriage Inwards	<u>X</u>	X			
Cost of goods available for sales		X			
Closing stock		<u>(X)</u>			
Cost of goods sold		X			
Wages		X			
Cost of sales		X			
Gross profit c/d		X			X
Less expense:					
			Gross profit b/d		X
Salaries		X	Interest Received		X
Rent and rates			Rent Received		X
Carriage outward		X	Commission Received		
Depreciation		X	Discount Received		

James Enterprises

Trading and profit and loss account for the year ended 31st December,2002.

	N	N		N	N
Insurance		X	Decrease in provision for bad Debts		X
Repairs		X			

Net profit c/d	<u>X</u>	
	<u>X</u>	<u>X</u>

Vertical format:

JAMES ENTERPRISES TRADING AND PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31ST DECEMBER, 2002.

Salaries	N	N
Less: Salaries returns		X
		<u>(X)</u>
		X

Less: Cost of Salaries

Opening Stock	X	
Purchases	X	
Purchases returns	(X)	
Carriage inwards	X	
Cost of goods available for sale		X
Closing stock	<u>(X)</u>	
Cost of goods sold	X	
Wages	<u>X</u>	
Cost of sales		X
Gross profit		X

Add: other incomes

Interest Received	X	
Rent Received	X	
Commissioned Received	X	

Discount Received	X	
Decrease in provision for bad/doubtful debt	<u>X</u>	
		X
		X
<u>Less: Expenses</u>		
Salaries	X	
Rent and Rates	X	
Carriage outwards	X	
Discount Allowed	X	
Telephone	X	
Repairs	X	
Increase in provision for bad debt	X	
		(X)
Net profit		<u>X</u>

2.6.4 DEFINITION OF TERMS IN PROFIT AND LOSS ACCOUNT

Assets

Assets are resources owned and used by a business organization for the purpose of generating income. An Asset yields future economic benefit to the business organization owning it. Assets may be fixed or current.

Fixed Assets

These are assets whose useful economic life exceeds one year, that is business organization will enjoy the benefits from the ownership and use of the assets for years. Examples include motor vehicles, land and furniture.

Current Assets

These are assets whose useful economic life does not exceed one year. They exit for only a short time before they are transformed into other kinds of assets. In other words, the composition of the current assets is constantly changing. This is

why they are sometime referred to as circulating assets. Example includes stock and debtors.

Assets can also be classified according to their nature as follows:

Tangible Assets:

These are assets that can be seen and touched. e.g. motor vehicles and stock.

Intangible Assets:

These are assets that can neither be touched nor seen but are valuable to the business e.g. goodwill, trademarks and patents.

Fictitious

These are items that have characteristics resembling those of assets but are not assets in the true sense of the word. They are debit balances that have no realizable value to the organization. Example includes accumulation of losses brought forward and preliminary expenses, which are shown on the balance sheet but are to be written off as soon as there is sufficient profits (or reserves to absorb them.)

Wasting Assets

These are assets whose value become exhausted or consumed as a result of being use. Examples are mines and quarries.

Liquid Assets

These are cash in hand or at bank and other items such as marketable short-term investments, which can be quickly turned into cash.

Liabilities:

These are amount owned by the business. Liabilities represent the claim by outsiders over the assets of the organization. Liabilities can be classified according to the time frame within which they fall due as follows:

Long-Term Liabilities

These are liabilities, which fall due after more than one year, e.g. bank loans and debentures.

Current Liabilities

These are liabilities, which fall due within one year. Examples include trade creditors, bank overdraft and accrued expenses.

Other kinds of liabilities normally encountered in financial accounting are provision and contingent liabilities.

Provisions

These are amount set aside of profit to provide for charges, liabilities or losses known to exist at the balance sheet date, which the amount can be ascertained with substantial accuracy, e.g. provision for depreciation, provision for bad and doubtful debt and provision for discount on debtors.

Contingent Liabilities

These are liabilities, the occurrence and amount of which depend on some uncertain future event(s). Usually the liabilities does not actually exist at the balance sheet date and future occurrence is not even certain, it is not normal to show contingent liability on the balance sheet the way provisions are made. Rather the estimated amount of the contingent liability is disclosed by way of notes to the balance sheet. Example include:

- Discounted bills of exchange; and
- Damages, which may be awarded against the organization when judgment is eventually entered in litigation pending as at the balance sheet date.

Working Capital

This is the excess of current assets over current liabilities. It is also referred to as net current assets.

Capital

This is the amount owned by the business to the owner. It can also be regarded as the claim of owner over the assets of the business.

- From the sole trader's point of view, capital is the total of resources (in cash or kind) with which the proprietor commenced the business plus any profits retained in the business minus losses incurred by the business and profit withdrawn by the proprietor.
- From the point of view of a limited liability company, the capital (share capital) is the total funds contributed by the shareholders, which is subsequently increased by undistributed profits and decreases by the losses of the company.

Gross Profit

This is the profit earned on goods sold during the period. It is obtained by deducting cost of goods sold from the sales value.

Net Profit/Loss

This is the profit obtained on the profit and loss account after adding incomes (other than from sales) to the gross profit and deducting there from the direct (overheads) expenses. Net profit is therefore, the excess of all incomes over all expenses. Conversely, the excess of all expenses over all incomes is net loss.

Revenue/Incomes

These are the amount earned by a business during the according period. The major source of income for a sole trade is the goods. Other incomes include interest received, discount received and rent received.

Expenses

These are the cost of goods and services consumed during the accounting period. They are costs incurred in the operations of the business organization during the period. Expenses that are direct in nature (e.g. purchases, wages and carriage inwards) are treated in the trading account while expenses that are indirect in nature (e.g. rent, depreciation and salaries are dealt with in the profit and loss account.)

CHAPTER THREE

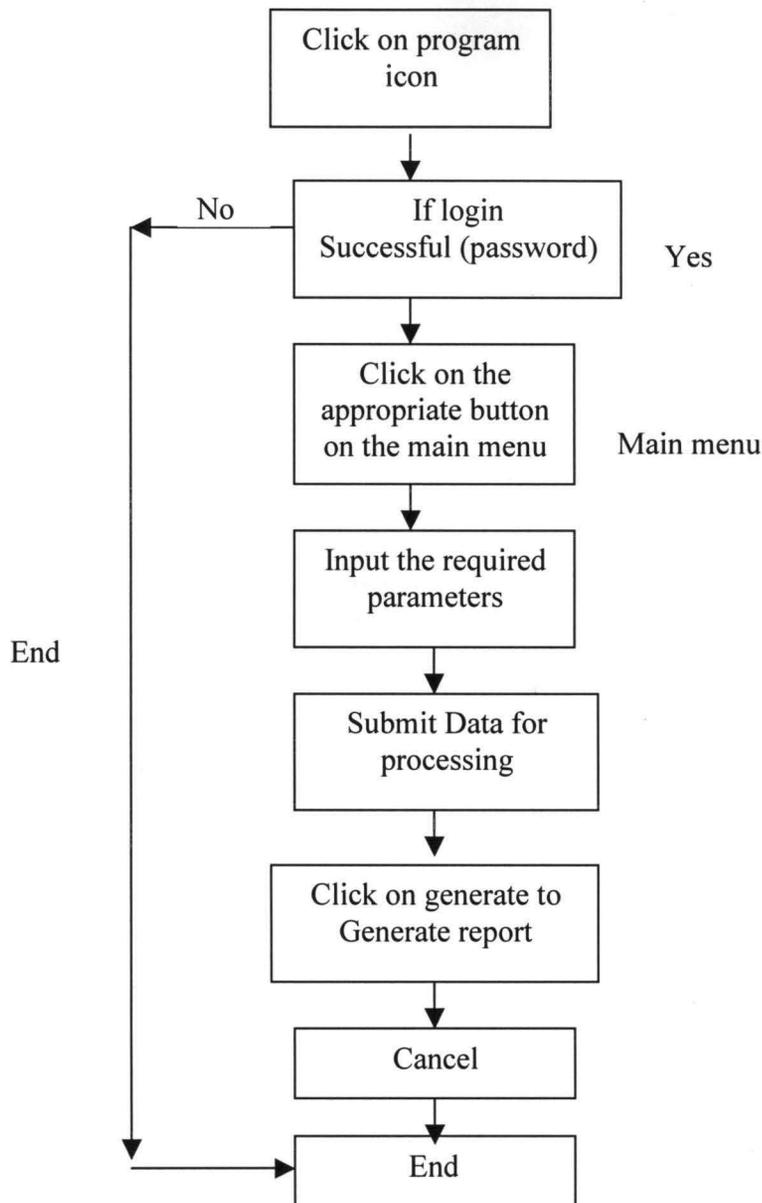
3.0 SYSTEM ANALYSIS AND DESIGN

3.1 INTRODUCTION

The study aims at designing a program that will compare the various P & L accounts on month by basis as are integrated in the database. Also with this program, it is expected that a graphical behaviour of each of the account items can be viewed to see their behaviour over time and analyse the pattern for decision making process in the banking industry or branch.

3.2 SYSTEM DESIGN

The program will be test run on data collected from Abuja Airport branch of First Bank of Nigeria PLC. The profit and loss accounts of various will be compared and variations in performances across years / months reviewed by following the program as shown below:



3.3 PROBLEMS WITH EXISTING SYSTEM

The manual system in use is time consuming, unrealistic and cannot allow for data flexibility. Mistakes are too often in the old system and therefore persistently derail decision making process.

3.4 FEASIBILITY STUDY

The technical, economic and general feasibility studies carried out reveal that the technology needed to achieve total success is already in place. All computer units and trained personnel are available. The bank will also welcome the program to

save them cost in time as it was obvious that the manual approach they are adopting was unpleasant to them. Generally in cost, resources, manpower, etc, it was observe that the program will complement operations, technically, economically and even physically.

3.5 INPUT SPECIFICATION

Profit and Loss account figures will be loaded into the system: the chart of profit and loss accounts loaded into the system is displayed below:

S/M	ACCOUNTS	DEBIT	CREDIT
1	Interest on Performing Overdrafts	-	13,768.00
2	Commission on Turnover	-	873,562.00
3	Commission(Others)	-	266,313.00
4	Western Union Revenue	-	7,654.00
5	Interest on Bank Funds	-	8,284,275.00
6	Interest on Demand Deposit	4,593.00	-
7	Interest on Saving Bank	355,568.00	-
8	Depreciation: Computer	40,499.00	-
9	Depreciation: Furniture/Fittings	218,227.00	-
10	Depreciation: Plant/Machinery	112,451.00	-
11	Depreciation: Equipment	75,193.00	-
12	Depreciation: Vehicles	354,641.00	-
13	Cable, Telex, Telephone	316,075.00	-
14	Cash and Clearing	210,400.00	-
15	Computer Stationery	113,340.00	-
16	Light and Power	361,065.00	-
17	Maint. Plant/Machinery	440,430.00	-
18	Maintenance: Premises	100,500.00	-
19	Maintenance: Vehicles	52,700.00	-
20	Maintenance: Computer	93,000.00	-
21	Maintenance: Equipment	105,420.00	-
22	S/C: Salaries and Wages	205,736.00	-
23	Staff Costs: Allowances	31,498.00	-
24	Staff Costs: Training	31,498.00	-
25	Staff Costs: Medical	60,210.00	-
26	Staff Costs: Pension	42,403.00	-
27	Staff Costs: Others	28,125.00	-
28	Stationery	153,158.00	-
29	Charges Sundries	50,340.00	-
30	Deposit Ins. Premium	7,432,337.00	-
31	Rents & Rates	1,555,200.00	-
32	Passages, Travel & Hotels	434,942.00	-
33	Commission on Turnover	23,563.00	-
34	Interest on Saving Bank	128,405.00	-
35	Interest on Bank Funds	23,467.00	-
36	Interest on Western Union Revenue	34,785.00	-
	TOTAL AT.	13,189,769.00	9,445,572.00

**FIRST BANK OF NIGERIA PLC
AIRPORT BRANCH, ABUJA**

PROFIT/LOSS ACCOUNTS AS AT SEPTEMBER 2005

S/N	ACCOUNTS	DEBIT	CREDIT
1	Interest on Performing Overdratts	-	325,548.00
2	Commission on Turnover	-	857,378.00
3	Commission(Others)	-	554,014.00
4	Western Union Revenue	-	6,815.00
5	Interest on Bank Funds	-	2,085,224.00
6	Interest on Demand Deposit	3,494.00	-
7	Interest on Saving Bank	315,743.00	-
8	Interest on Fixed Deposit	72,952.00	-
9	Depreciation: Computer	293,367.00	-
10	Depreciation: Furniture/Fittings	79,312.00	-
11	Depreciation: Equipment	84,604.00	-
12	Depreciation: Vehicles	112,818.00	-
13	Cable, Telex, Telephone	224,318.00	-
14	Cash and Clearing	224,721.00	-
15	Light and Power	16,680.00	-
16	Maint. Furniture/Fittings	200.00	-
17	Maint. Plant/Machinery	77,300.00	-
18	Maintenance: Premises	435,774.00	-
19	Maintenance: Vehicles	311,380.00	-
20	Maintenance: Equipment	244,764.00	-
21	S/C: Salaries and Wages	141,746.00	-
22	Staff Costs: Allowances	626,532.00	-
23	Staff Costs: Training	269,940.00	-
24	Staff Costs: Medical	72,225.00	-
25	Staff Costs: Pension	59,064.00	-
26	Staff Costs: Others	118,228.00	-
27	Stationery	163,664.00	-
28	Charges Sundries	40,240.00	-
29	Insurance	34,681.00	-
30	Deposit Ins. Premium	153,836.00	-
31	Advert & Public Relations	5,000.00	-
32	Rents & Rates	777,600.00	-
33	Passages, Travel & Hotels	262,709.00	-
	SUBTOTAL	5,222,892.00	3,828,979.00
	PROFIT/LOSS	-	1,393,913.00
	TOTAL	5,222,892.00	

Main Menu

3.6 OUTPUT SPECIFICATION

The data inputted will be loaded into the system and computed / compare for the output showing below

FIRST BANK OF NIGERIA PLC AIRPORT BRANCH, ABUJA		
COMPARATIVE ANALYSIS OF ACCOUNTS AS AT SEPTEMBER 2004 and SEPTEMBER 2005		
<input type="button" value="Show Ledger"/>		
September 2004		
ACCOUNTS	DEBIT	CREDIT
Interest on Saving Bank	355,568.00	
September 2005		
ACCOUNTS	DEBIT	CREDIT
Interest on Saving Bank	315,743.00	
Percentage Variation (%):	12.6%	
<input type="button" value="Main Menu"/>		

3.7 COST AND BENEFITS ANALYSIS

The cost of changeover is considered but the benefits derivable far outweigh any cost considerations.

Computer accessories are already in place in the banking system. However the programmers' wages and bills will have to be settled. Cost of installing the program on the manager's personal computer will be borne and thereafter, all P & L data management will be achieved easily, effectively, timely and accurately, therefore the cost analysis consideration poses no limitations.

CHAPTER FOUR

4.0 DEVELOPMENT AND IMPLEMENTATION

4.1 INTRODUCTION

All application programs accept data inflow and processes such data into desired outputs. Data collected from branch Operations and classified into profit and loss account on month-by-month basis will be used as input data. The comparative results obtained from the system will be used in planning and decision-making as intended. All business organisations are set up with the motive of making profits and have to seek to improve on this ability. It is therefore expedient that the application areas of this program will be unlimited as business outfits will from this program be able to monitor the trend in their expenses, incomes, compare results, make proper decisions, and prepare for periods of peak businesses and other sundry issues, ecetera.

The Age of computerization has taken a great toll on the banking world. This program which is an addition to the growing number of computer resource programs takes precedence from quite a number of others which we shall list below.

The use of computers in banking has initiated a revolution, empowering financial institutions to devise and engage in new varieties of transactions that take advantage of opportunities made possible by the new technologies itself. Rapid progress in computer and telecommunications technologies has enabled a broad unbundling of risks through innovative financial engineering such as this designed in this project.

The earliest commercial users of computerized systems were also banks – recording of deposits, withdrawals, issuing of customers statements, etc. However, there has

been progressive computerization of other banking services such as reconciliation of inter-branch transactions of a bank using “LAN system and preparation of a management reports on accounts, calculation of interest received and paid, calculation of overdraft limits of customers and other statistical reports, including those for the regulatory authorities. Facilitating of remittances, transactions between banks, foreign currency transactions, credit and risk assessment of clients, processing of loans, reduction of incidence of fraud and defaults, automated teller machines, reduction of staff costs, speeding up of services and increase convenience in service delivery, etc.

The clearing and sorting activities at CBN are now automated. Micr number systems on cheques are now designed to adhere to electronic readers. More and more of the manual processes are now computer enhanced. And as the years roll by, the entire banking system may be automated. Thus the development of this program to compare profit and loss accounts is also in line with the growing trend.

4.2 CHOICE OF PROGRAMMING LANGUAGE

The various programming languages were contemplated: COBOL, Q-Basic, Visual Basic, Java and C++. A program to accept, compare and compute the variations of profit and loss account from the database was evolved in line with best practice using Visual Basic.

4.3 FEATURES OF PROGRAMMING LANGUAGES CHOSEN

The features of the Visual Basic include the following:

It is a Graphical User Interface (GUI) that supports multi – tasking and graphical representation applications as well as information.

- ✓ It support networking
- ✓ It support internet applications
- ✓ It support object oriented programming

The Visual basic version 6. 0 used has all these attributes.

4.4 **HARDWARE AND SOFTWARE REQUIREMENTS**

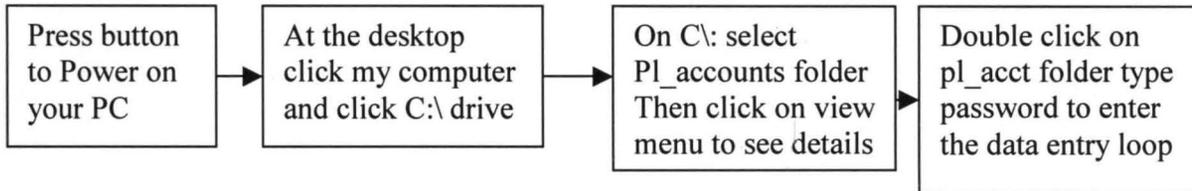
The IBM PC with at least 486 0x processor and 32 MB RAM with other essential peripherals.

- ❖ A monitor or screen
- ❖ A printer like LaserJet or DeskJet
- ❖ A scanner
- ❖ A microphone when needed
- ❖ A digital camera when needed
- ❖ A telephone when needed
- ❖ A modem when needed
- ❖ While software requirements include the following
- ❖ Operating system like MS-DOS, UNIX, Windows 95, 98, etc and
- ❖ Programming languages which in our project work is the Visual Basic

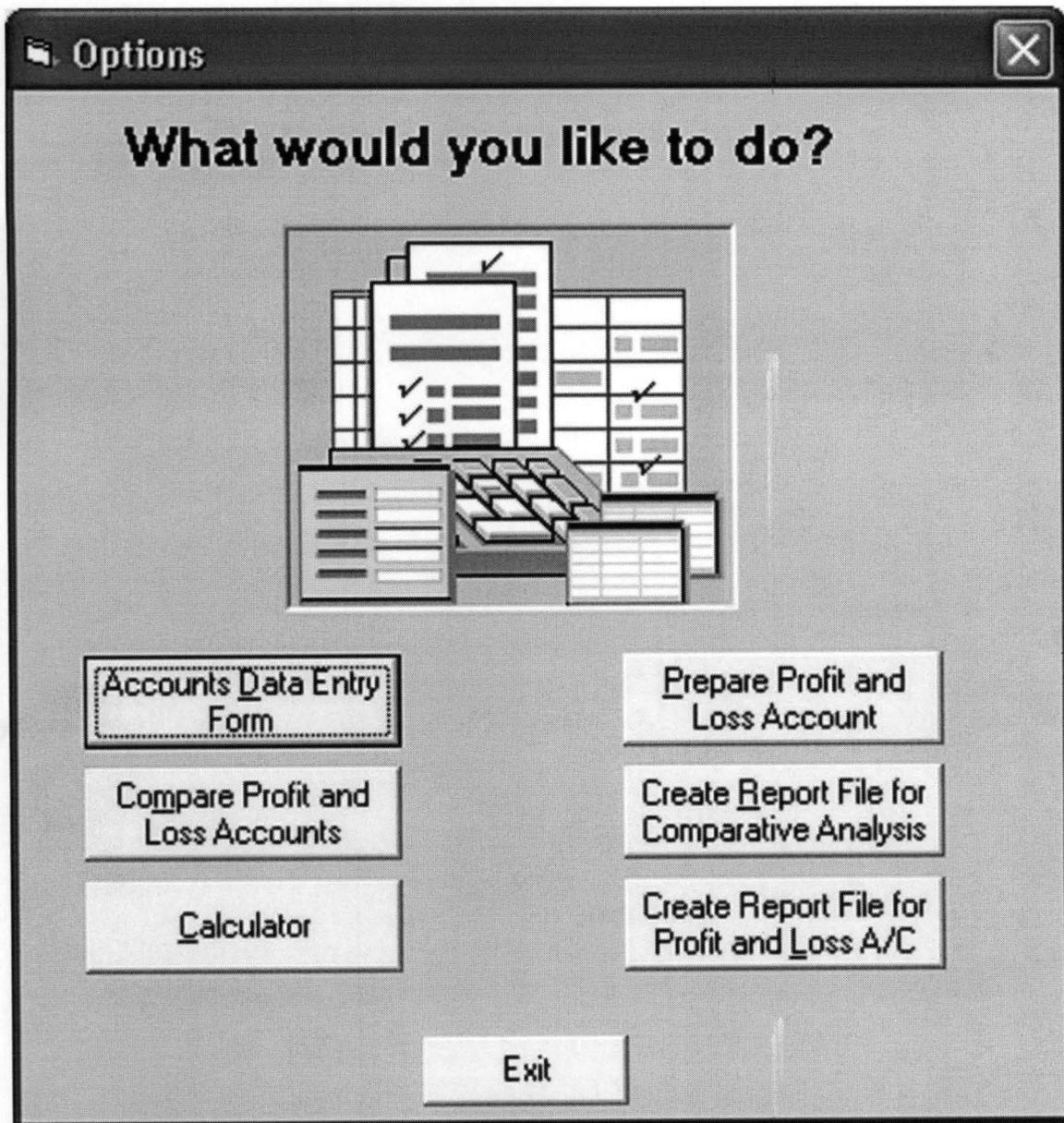
4.5 **CHANGEOVER PROCEDURE**

The changeover procedure is parallel that is the manual system subsist. The result obtained from the automated system will be compared with the general and the benefits earlier highlighted will be clearly observed. However, there is no risk whatsoever if the Organization employ a staged changeover because the input data can always be fetched at any time. For the purpose of continious analysis and justification of the project work, the parallel changeover is implemented

4.6 STARTING THE SYSTEM



4.7 MENU STRUCTURE



profit and loss account

FIRST BANK OF NIGERIA PLC
AIRPORT BRANCH, ABUJA

Show Ledger PROFIT/LOSS ACCOUNTS AS AT SEPTEMBER 2005

S/N	ACCOUNTS	DEBIT	CREDIT
1	Interest on Performing Overdrafts	-	325,548.00
2	Commission on Turnover	-	857,378.00
3	Commission(Others)	-	554,014.00
4	Western Union Revenue	-	6,815.00
5	Interest on Bank Funds	-	2,085,224.00
6	Interest on Demand Deposit	3,494.00	-
7	Interest on Saving Bank	315,743.00	-
8	Interest on Fixed Deposit	72,952.00	-
9	Depreciation: Computer	293,367.00	-
10	Depreciation: Furniture/Fittings	79,312.00	-
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12	Depreciation: Vehicles	112,818.00	-
13	Cable, Telex, Telephone	224,318.00	-
14	Cash and Clearing	224,721.00	-
15	Light and Power	16,680.00	-
16	Maint. Furniture/Fittings	200.00	-
17	Maint. Plant/Machinery	77,300.00	-
18	Maintenance: Premises	435,774.00	-
19	Maintenance: Vehicles	311,380.00	-
20	Maintenance: Equipment	244,764.00	-
21	S/C: Salaries and Wages	141,746.00	-
22	Staff Costs: Allowances	626,532.00	-
23	Staff Costs: Training	269,940.00	-
24	Staff Costs: Medical	72,225.00	-
25	Staff Costs: Pension	59,064.00	-
26	Staff Costs: Others	118,228.00	-
27	Stationery	163,664.00	-
28	Charges Sundries	40,240.00	-
29	Insurance	34,681.00	-
30	Deposit Ins. Premium	153,836.00	-
31	Advert & Public Relations	5,000.00	-
32	Rents & Rates	777,600.00	-
33	Passages, Travel & Hotels	262,709.00	-
	SUBTOTAL	5,222,892.00	3,828,979.00
	PROFIT/LOSS	-	1,393,913.00
	TOTAL	5,222,892.00	

Main Menu

Login

User Name:

Password:

OK Cancel

Data Entry Form for Profit and Loss Acct

ACCOUNT ITEMS

Please enter Account item or select from the left pane

Interest on Performing Loans
 Interest on Performing Overdrafts
 Commission on Turnover
 Commission(Others)
 Western Union Revenue
 Interest on Bank Funds
 Interest on Demand Deposit
 Interest on Saving Bank
 Interest on Fixed Deposit
 Interest on Western Union Revenue
 Provision for N.P.A
 Provision for other Assets
 Depreciation: Computer
 Depreciation: Furniture/Fittings
 Depreciation: Plant/Machinery

Interest on Performing Loans

Month: September
 Year: 2005

Amount: 25,000.00

Debit (DR)
 Credit (CR)

Please enter numeric value only

1:27 AM 1/4/1980

Generate Report File

Month: September
 Year: 2005
 Filename: C:\ProfitLossrpt.txt

Compare Accounts

Compare

Account: Interest on Performing Overdrafts

Month: September

Year: 2004

With

Account: Interest on Performing Overdrafts

Month: September

Year: 2005

Display Cancel

Comparative Analysis of Accounts

FIRST BANK OF NIGERIA PLC
AIRPORT BRANCH, ABUJA

COMPARATIVE ANALYSIS OF ACCOUNTS AS AT
SEPTEMBER 2004 and SEPTEMBER 2005

Show Ledger

September 2004 Report Date 1/4/200		
ACCOUNTS	DEBIT	CREDIT
Interest on Performing Overdrafts		13,768.00
September 2005		
ACCOUNTS	DEBIT	CREDIT
Interest on Performing Overdrafts		325,548.00
Percentage Variation (%):	-95.8%	

Main Menu

```
comparative_report - Notepad
File Edit Format View Help
|
| FIRST BANK OF NIGERIA PLC
| COMPARATIVE ANALYSIS REPORT OF ACCOUNT AS AT SEPTEMBER 2004
| Report Date :1/4/2006
|
| ACCOUNTS                                September 2004
|                                         DEBIT          CREDIT
| Interest on Performing overdrafts      13,768.00
|
|                                         September 2005
| Interest on Performing overdrafts      325,548.00
|
| Percentage variation (%):              -95.8%
```

CHAPTER FIVE

5.0 FINDINGS

5.1 SUMMARY

Banks all over the world operate with the aim of boasting their profit margins. Every information, design and methods that will help to evaluate or improve their efforts in profit generation is welcomed.

Though comparism of profits and loss accounts is not a new aspect of banking, it has never been explored the way it is done in this project

Additional information sought manually and seldom obtained are equally handy. In an easy twist the peak periods of income level are easily determined. If this rise and fall graph is plotted against the periods and a consistently drawn, then it will be determined when resources must be pulled together in readiness for a particular overflowing demand or otherwise.

Conversely if the reasons for certain astronomical rise in expenses are established over certain periods more planning can be put in place to ensure success, reduction of aggregate expenses and effective budgeting, more than ever before. The compared variations help management to determine their weakness and strengths over the compared periods and overcome challenges.

With these project satisfactory concluded, the ease of taking lasting and tested decisions will be appreciated, and the importance of computer-aided operations will be once more applauded.

5.2 CONCLUSION

The project aimed at designing a program that will be able to compare the profit and loss accounts of a business organization on month-by-month basis and it is hereby achieved. The program is robust and most invaluable judging from the results and graphs deduced from the data.

5.3 RECOMMEDATION

Having implemented, tested and seen the usefulness of the program, it is recommended that all manual operations of comparing profit and loss be abolished and this program be adopted for its rich values, applications, and information base. These information that are compared / extracted are essential for business evaluations projections and budgetary provisions.

I am therefore, recommending the use of this program in all business activities of First Bank Abuja Airport Branch and to all other locations and the entire industry.

Also from the analysis and results obtained in Chapter IV, it is recommended that:-

1. The Bank should embrace this program nationwide.
2. The computerization of the entire banking operations should be encourage to maximize the benefits of the computerization age.
3. All profit making organizations should see this program as capable of answering many other questions relevant to planning strategies and budgeting projections, etc, noting that comparative figures highlight most important changes and development trends in interest incomes, interest expenses, administrative expenses, etc which are of immense value in business development and growths.

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APPENDIX "A"

SOURCE CODE

```
Private Sub Command1_Click()  
acct1 = Combo1.Text  
acct2 = Combo6.Text  
month1 = Combo2.Text  
month2 = Combo5.Text  
yr1 = Combo3.Text  
yr2 = Combo4.Text  
heading = UCase(Combo2.Text) & " " & Combo3.Text & " and " &  
UCase(Combo5.Text) & " " & Combo4.Text  
Unload Me  
frmfigures.Show  
End Sub
```

```
Private Sub Command2_Click()  
Unload Me  
Options.Show  
End Sub
```

```
Private Sub Form_Load()  
With Me  
    .Top = (Screen.Height - Height) / 2  
    .Left = (Screen.Width - Width) / 2  
End With  
Dim rs As New ADODB.Recordset  
Set rs = New ADODB.Recordset  
rs.Open "select * from account_name", cn, adOpenDynamic,  
adLockOptimistic  
rs.Requery  
rs.MoveFirst  
Do Until rs.EOF  
    Combo1.AddItem rs!accountsitem  
    rs.MoveNext  
Loop  
rs.Requery  
rs.MoveFirst  
Do Until rs.EOF  
    Combo6.AddItem rs!accountsitem  
    rs.MoveNext  
Loop  
rs.Close  
Set rs = Nothing  
Combo2.AddItem "January"  
Combo2.AddItem "February"  
Combo2.AddItem "March"  
Combo2.AddItem "April"  
Combo2.AddItem "May"  
Combo2.AddItem "June"
```

```
Combo2.AddItem "July"  
Combo2.AddItem "August"  
Combo2.AddItem "September"  
Combo2.AddItem "October"  
Combo2.AddItem "November"  
Combo2.AddItem "December"
```

```
Combo5.AddItem "January"  
Combo5.AddItem "February"  
Combo5.AddItem "March"  
Combo5.AddItem "April"  
Combo5.AddItem "May"  
Combo5.AddItem "June"  
Combo5.AddItem "July"  
Combo5.AddItem "August"  
Combo5.AddItem "September"  
Combo5.AddItem "October"  
Combo5.AddItem "November"  
Combo5.AddItem "December"
```

```
For i = 0 To 20  
    Combo3.AddItem 2000 + i  
Next i  
For i = 0 To 20  
    Combo4.AddItem 2000 + i  
Next i
```

```
End Sub
```

```
Dim rptfile As String  
Private Sub Command1_Click()  
CommonDialog1.Filter = "All Files (*.*)|*.*|Text Files" '& _  
    "(*.txt)|*.txt|Batch Files (*.bat)|*.bat"  
CommonDialog1.ShowOpen  
Text1.Text = CommonDialog1.FileName  
rptfile = Text1.Text  
End Sub
```

```
Private Sub Command2_Click()  
On Error GoTo errhandler  
Dim sql1, sql2, msg As String  
Dim amt1, amt2 As Double  
Dim variation, variation1 As Double  
Dim act, month, act1, month1 As String  
Dim yr, yr1, response As Integer  
Dim rs1 As New ADODB.Recordset  
Dim rs2 As New ADODB.Recordset  
Set rs1 = New ADODB.Recordset  
Set rs2 = New ADODB.Recordset
```

```
act = Combo1.Text  
act1 = Combo4.Text
```

```

month = Combo2.Text
month1 = Combo5.Text
yr = Combo3.Text
yr1 = Combo6.Text
sql1 = "select accounts, amount, type from profitloss"
sql1 = sql1 + " where accounts = " & "'" & act & "'"
sql1 = sql1 + " and month = " & "'" & month & "'"
sql1 = sql1 + " and year = " & yr

rs1.Open sql1, cn, adOpenDynamic, adLockOptimistic

sql2 = "select accounts, amount, type from profitloss"
sql2 = sql2 + " where accounts = " & "'" & act1 & "'"
sql2 = sql2 + " and month = " & "'" & month1 & "'"
sql2 = sql2 + " and year = " & yr1

rs2.Open sql2, cn, adOpenDynamic, adLockOptimistic
Open rptfile For Output As #1
Print #1, "                FIRST BANK OF NIGERIA PLC                "
Print #1, "                COMPARATIVE ANALYSIS REPORT OF ACCOUNT AS AT " &
UCase(month) & " " & yr
Print #1, "Report Date :" & Date
Print #1, Tab(45); month & " " & yr
Print #1, "ACCOUNTS"; Tab(40); "DEBIT"; Tab(55); "CREDIT"
Print #1,
Select Case rs1!Type
    Case "DR"
        Print #1, rs1!accounts; Tab(40); Format(rs1!amount, "#,0.00")
    Case "CR"
        Print #1, rs1!accounts; Tab(40); ""; Tab(55); Format(rs1!amount,
"#,0.00")
End Select
Print #1,
Print #1,
Print #1, Tab(45); month1 & " " & yr1
Select Case rs2!Type
    Case "DR"
        Print #1, rs2!accounts; Tab(40); Format(rs2!amount, "#,0.00")
    Case "CR"
        Print #1, rs2!accounts; Tab(40); ""; Tab(55); Format(rs2!amount,
"#,0.00")
End Select
amt1 = rs1!amount
amt2 = rs2!amount
variation = ((amt1 - amt2) / amt2) * 100
variation = Round(variation, 1)
Debug.Print variation
Print #1,
Print #1,
Print #1, "Percentage Variation (%): "; Tab(40); variation & "%"

Close #1

```

```

msg = "Report Generated and sent to " & rptfile
MsgBox msg, vbInformation + vbDefaultButton1, "Report File"
cont:
Exit Sub
errhandler:
MsgBox Err.Description
Resume cont
End Sub

Private Sub Command3_Click()
Unload Me
Options.Show
End Sub

Private Sub Form_Load()
With Me
.Top = (Screen.Height - Height) / 2
.Left = (Screen.Width - Width) / 2
End With
Dim rs As New ADODB.Recordset
Set rs = New ADODB.Recordset
rs.Open "select * from account_name", cn, adOpenDynamic,
adLockOptimistic
rs.Requery
rs.MoveFirst
Do Until rs.EOF
    Combo1.AddItem rs!accountsitem
    rs.MoveNext
Loop
rs.Requery
rs.MoveFirst
Do Until rs.EOF
    Combo4.AddItem rs!accountsitem
    rs.MoveNext
Loop
rs.Close
Set rs = Nothing
Combo2.AddItem "January"
Combo2.AddItem "February"
Combo2.AddItem "March"
Combo2.AddItem "April"
Combo2.AddItem "May"
Combo2.AddItem "June"
Combo2.AddItem "July"
Combo2.AddItem "August"
Combo2.AddItem "September"
Combo2.AddItem "October"
Combo2.AddItem "November"
Combo2.AddItem "December"

Combo5.AddItem "January"
Combo5.AddItem "February"

```

```
Combo5.AddItem "March"  
Combo5.AddItem "April"  
Combo5.AddItem "May"  
Combo5.AddItem "June"  
Combo5.AddItem "July"  
Combo5.AddItem "August"  
Combo5.AddItem "September"  
Combo5.AddItem "October"  
Combo5.AddItem "November"  
Combo5.AddItem "December"
```

```
For i = 0 To 20  
    Combo3.AddItem 2000 + i  
Next i  
For i = 0 To 20  
    Combo6.AddItem 2000 + i  
Next i
```

```
End Sub
```

```
Private Sub cmdclear_Click()  
txtamt.Text = ""  
Text1.Text = ""  
Text1.SetFocus  
End Sub
```

```
Private Sub cmdreturn_Click()  
Unload Me  
Options.Show vbModal  
End Sub
```

```
Private Sub cmdsubmit_Click()  
On Error GoTo errhandler  
Dim act, yr, msg As String  
Dim month, response As Integer  
Dim amt As Currency  
act = Text1.Text  
yr = Combo2.Text  
month = Combo1.Text  
amt = txtamt.Text  
msg = "Please confirm the following Data before you proceed" & vbCr  
msg = msg + "Account: " & act & vbCr  
msg = msg + "Year: " & yr & vbCr  
msg = msg + "Month: " & month & vbCr  
msg = msg + "Amount: " & amt  
msg = msg & vbCr  
msg = msg + "Are you sure the above data are Okay?"  
response = MsgBox(msg, vbYesNo + vbQuestion + vbDefaultButton2,  
"Submit Data")  
If response = vbYes Then  
    rsprofitloss.AddNew  
    rsprofitloss!accounts = act
```

```

rsprofitloss!amount = amt
rsprofitloss!month = month
rsprofitloss!year = yr
If opt1(0).Value = True Then
    rsprofitloss!Type = "DR"
ElseIf opt1(1).Value = True Then
    rsprofitloss!Type = "CR"
End If
rsprofitloss.Update
cmdclear_Click
Else
    Exit Sub
End If
cont:
Exit Sub
errhandler:
MsgBox Err.Description
Resume cont:
End Sub

Private Sub Form_Load()
Dim sql As String
Dim rs As New ADODB.Recordset
Dim i As Integer
With Me
    .Top = (Screen.Height - Height) / 2
    .Left = (Screen.Width - Width) / 2
End With
sql = "select * from account_name"
rs.Open sql, cn, adOpenDynamic, adLockOptimistic
rs.Requery
rs.MoveFirst
Do Until rs.EOF
    List1.AddItem rs!accountsitem
    rs.MoveNext
Loop
rs.Close
Set rs = Nothing
Combo1.AddItem "January"
Combo1.AddItem "February"
Combo1.AddItem "March"
Combo1.AddItem "April"
Combo1.AddItem "May"
Combo1.AddItem "June"
Combo1.AddItem "July"
Combo1.AddItem "August"
Combo1.AddItem "September"
Combo1.AddItem "October"
Combo1.AddItem "November"
Combo1.AddItem "December"
For i = 0 To 20
    Combo2.AddItem 2000 + i

```

```

Next i
opt1(0).Value = True
End Sub

Private Sub List1_Click()
Text1.Text = List1.Text
End Sub

Private Sub txtamt_Click()
StatusBar1.Panels(1).Text = "Please enter numeric value only"
End Sub
Private Sub txtamt_LostFocus()
txtamt.Text = Format(txtamt, "#,0.00")
End Sub

Private Sub Command1_Click()
On Error GoTo errhandler
Dim count As Integer
Dim sql As String
Dim rs As New ADODB.Recordset
Dim sumcr, sumdr, subtotal, profit, loss As Double
Picture1.Visible = True
sql = "select * from profitloss"
sql = sql + " where month = " & "'" & month & "'"
sql = sql + " and year = " & year
Debug.Print sql
rs.Open sql, cn, adOpenDynamic, adLockOptimistic
Picture1.Cls
Picture1.Print "S/N"; Tab(10); "ACCOUNTS"; Tab(55); "DEBIT";
Tab(80); "CREDIT"
Picture1.Print
sumcr = 0
sumdr = 0
count = 1
'rs.MoveFirst
Do Until rs.EOF
    Select Case rs!Type
        Case "DR"
            Picture1.Print count; Tab(10); rs!accounts; Tab(55);
Format(rs!amount, "#,0.00"); Tab(80); "    - "
            sumdr = sumdr + rs!amount

        Case "CR"
            Picture1.Print count; Tab(10); rs!accounts; Tab(55); "    -
"; Tab(80); Format(rs!amount, "#,0.00")
            sumcr = sumcr + rs!amount

        Case 0
            ' frmdisplay.Picture1.Print rs![s/n], rs!account, , rs!amount
            ' sumdr = rs!amount
    End Select
    count = count + 1

```

```

rs.MoveNext
Loop
Picture1.Print
Picture1.Print Tab(10); "SUBTOTAL"; Tab(55); Format(sumdr,
"#,0.00"); Tab(80); Format(sumcr, "#,0.00")
If sumdr > sumcr Then
    loss = Format(sumdr - sumcr, "#,0.00")
    Picture1.Print Tab(10); "PROFIT/LOSS"; Tab(55); " - ";
Tab(80); Format(loss, "#,0.00")
    Picture1.Print Tab(10); "TOTAL"; Tab(55); Format(sumcr + loss,
"#,0.00"); Tab(80); ""
Else
    profit = Format(sumcr - sumdr, "#,0.00")
    Picture1.Print Tab(10); "PROFIT/LOSS"; Tab(55); Format(profit,
"#,0.00"); Tab(80); " - "
    Picture1.Print Tab(10); "TOTAL"; Tab(55); ""; Tab(80);
Format(sumdr + profit, "#,0.00")
End If
cont:
Exit Sub
errhandler:
MsgBox Err.Description
Resume cont
End Sub

```

```

Private Sub Command2_Click()
Unload Me
Options.Show
End Sub

```

```

Private Sub Form_Load()
With Me
    .Top = (Screen.Height - Height) / 2
    .Left = (Screen.Width - Width) / 2
End With
Picture1.Visible = False
Label4.Caption = UCase(frmperiod.Combo1.Text) & " " &
frmperiod.Combo2.Text
End Sub

```

```

Private Sub Command1_Click()
On Error GoTo errhandler
Dim amt1, amt2 As Double
Dim variation, variation1 As Double
Dim sql1, sql2 As String
Dim rs1 As New ADODB.Recordset
Dim rs2 As New ADODB.Recordset
Set rs1 = New ADODB.Recordset
Set rs2 = New ADODB.Recordset

```

```

sql1 = "select accounts, amount, type from profitloss"

```

```

sql1 = sql1 + " where accounts = " & "'" & acct1 & "'"
sql1 = sql1 + " and month = " & "'" & month1 & "'"
sql1 = sql1 + " and year = " & yr1
rs1.Open sql1, cn, adOpenDynamic, adLockOptimistic

sql2 = "select accounts, amount, type from profitloss"
sql2 = sql2 + " where accounts = " & "'" & acct2 & "'"
sql2 = sql2 + " and month = " & "'" & month2 & "'"
sql2 = sql2 + " and year = " & yr2
rs2.Open sql2, cn, adOpenDynamic, adLockOptimistic

Picture1.Visible = True
Picture1.Cls
Picture1.Print Tab(55); month1 & " " & yr1 & " " & " Report Date " &
Date
Picture1.Print
Picture1.Print "ACCOUNTS"; Tab(50); "DEBIT"; Tab(70); "CREDIT"
Picture1.Print
Select Case rs1!Type
    Case "DR"
        Picture1.Print rs1!accounts; Tab(50); Format(rs1!amount,
"#,0.00")
    Case "CR"
        Picture1.Print rs1!accounts; Tab(50); ""; Tab(70);
Format(rs1!amount, "#,0.00")
End Select
Picture1.Print
Picture1.Print
Picture1.Print Tab(55); month2 & " " & yr2
Picture1.Print
Picture1.Print "ACCOUNTS"; Tab(50); "DEBIT"; Tab(70); "CREDIT"
Picture1.Print
Select Case rs2!Type
    Case "DR"
        Picture1.Print rs2!accounts; Tab(50); Format(rs2!amount,
"#,0.00")
    Case "CR"
        Picture1.Print rs2!accounts; Tab(50); ""; Tab(70);
Format(rs2!amount, "#,0.00")
End Select
amt1 = rs1!amount
amt2 = rs2!amount

variation = ((amt1 - amt2) / amt2) * 100
variation = Round(variation, 1)
'variation1 = FormatPercent(variation)
Picture1.Print
Picture1.Print
Picture1.Print "Percentage Variation (%): "; Tab(50); variation &
"%"
cont:
Exit Sub

```

```

errhandler:
MsgBox Err.Description
Resume cont
End Sub

Private Sub Command2_Click()
Unload Me
Options.Show
End Sub

Private Sub Form_Load()
With Me
    .Top = (Screen.Height - Height) / 2
    .Left = (Screen.Width - Width) / 2
End With
Picture1.Visible = False
Label4.Caption = heading
End Sub

Option Explicit
Private Sub cmdcancel_Click()
Unload Me
End Sub
Private Sub cmdok_Click()
On Error GoTo errhandle

Dim pass, NAME As String
Dim rstpass As New ADODB.Recordset
Dim StrPass As String
Dim level As Integer

NAME = Trim(txtUserName.Text)
pass = Trim(txtPassword.Text)

StrPass = "Select * from login where username = " & "'" & NAME & "'"
rstpass.Open StrPass, cn, adOpenKeyset, adLockPessimistic
If pass = Trim(rstpass!Password) Then
    dtlogin = Format(Now, "dd/mm/yy hh:mm:ss")
    user = NAME
    level = rstpass!accesslevel
    access = level

    Unload frmLogin
    Options.Show

Else

    rstpass.Close
    Set rstpass = Nothing

    MsgBox "Invalid Password, try again!", , "Access-Denied"

```

```

    frmLogin.txtPassword.SetFocus
    SendKeys "{Home}+{End}"

End If

cont:
Exit Sub

errhandle:
MsgBox Err.Description, vbCritical, "Error"
Resume cont

End Sub

Private Sub Form_Load()
With Me
    .Top = (Screen.Height - Height) / 2
    .Left = (Screen.Width - Width) / 2
End With
End Sub

Private Sub txtPass_KeyPress(KeyAscii As Integer)
If KeyAscii = 13 Then
    cmdok_Click
End If
End Sub

Private Sub Command1_Click()
month = frmperiod.Combol.Text
year = frmperiod.Combo2.Text
Me.Hide
frmdisplay.Show
End Sub

Private Sub Command2_Click()
Unload Me
Options.Show
End Sub

Private Sub Form_Load()
With Me
    .Top = (Screen.Height - Height) / 2
    .Left = (Screen.Width - Width) / 2
End With
Combol.AddItem "January"
Combol.AddItem "February"
Combol.AddItem "March"
Combol.AddItem "April"
Combol.AddItem "May"
Combol.AddItem "June"
Combol.AddItem "July"
Combol.AddItem "August"

```

```

Combo1.AddItem "September"
Combo1.AddItem "October"
Combo1.AddItem "November"
Combo1.AddItem "December"
For i = 0 To 20
    Combo2.AddItem 2000 + i
Next i
End Sub

Dim rptfile As String
Private Sub Command1_Click()
CommonDialog1.Filter = "All Files (*.*)|*.*|Text Files" & _
    "(*.txt)|*.txt|Batch Files (*.bat)|*.bat"
CommonDialog1.ShowOpen
Text1.Text = CommonDialog1.FileName
rptfile = Text1.Text
End Sub

Private Sub Command2_Click()
On Error GoTo errhandler
Dim act, month, sql, act1, act2, month1, month2, msg As String
Dim yr, yr1, yr2, count, response As Integer
Dim amt1, amt2, sumcr, sumdr, loss, profit As Double
Dim rs As New ADODB.Recordset
Set rs = New ADODB.Recordset
act = Combo1.Text
month = Combo2.Text
yr = Combo3.Text

sql = "select accounts, amount, type from profitloss"
sql = sql + " where month = " & "" & month & ""
sql = sql + " and year = " & yr
rs.Open sql, cn, adOpenDynamic, adLockOptimistic
Open rptfile For Output As #1
Print #1, "                                FIRST BANK OF NIGERIA
PLC                                "
Print #1, "                                PROFIT AND LOSS ACCOUNT AS
AT " & UCase(month) & " " & yr
Print #1, "S/N"; Tab(10); "ACCOUNTS"; Tab(55); "DEBIT"; Tab(80);
"CREDIT"
Print #1, "Report Date : " & Date
sumcr = 0
sumdr = 0
count = 1
'rs.MoveFirst
Do Until rs.EOF
    Select Case rs!Type
        Case "DR"
            Print #1, count; Tab(10); rs!accounts; Tab(55);
Format(rs!amount, "#,0.00"); Tab(80); " - "
            sumdr = sumdr + rs!amount

```

```

        Case "CR"
        Print #1, count; Tab(10); rs!accounts; Tab(55); " - ";
Tab(80); Format(rs!amount, "#,0.00")
        sumcr = sumcr + rs!amount

        Case 0
        '
        frmdisplay.Picture1.Print rs![s/n], rs!account, , rs!amount
        '
        sumdr = rs!amount
        End Select
        count = count + 1
        rs.MoveNext
Loop
Print #1,
Print #1, Tab(10); "SUBTOTAL"; Tab(55); Format(sumdr, "#,0.00");
Tab(80); Format(sumcr, "#,0.00")
        If sumdr > sumcr Then
                loss = Format(sumdr - sumcr, "#,0.00")
                Print #1, Tab(10); "PROFIT/LOSS"; Tab(55); " - "; Tab(80);
Format(loss, "#,0.00")
                Print #1,
                Print #1, Tab(10); "TOTAL"; Tab(55); Format(sumcr + loss,
"#,0.00"); Tab(80); ""
        Else
                profit = Format(sumcr - sumdr, "#,0.00")
                Print #1, Tab(10); "PROFIT/LOSS"; Tab(55); Format(profit,
"#,0.00"); Tab(80); " - "
                Print #1,
                Print #1, Tab(10); "TOTAL"; Tab(55); ""; Tab(80);
Format(sumdr + profit, "#,0.00")
        End If

Close #1
msg = "Report Generated and sent to " & rptfile
MsgBox msg, vbInformation + vbDefaultButton1, "Report File"
cont:
Exit Sub
errhandler:
MsgBox Err.Description
Resume cont
End Sub

Private Sub Command3_Click()
Unload Me
Options.Show
End Sub

Private Sub Form_Load()
Dim rs As New ADODB.Recordset
Set rs = New ADODB.Recordset
rs.Open "select accountsitem from account_name", cn, adOpenDynamic,
adLockOptimistic

```

```

rs.Requery
rs.MoveFirst
Do Until rs.EOF
    Combo1.AddItem rs!accountsitem
    rs.MoveNext
Loop
With Me
    .Top = (Screen.Height - Height) / 2
    .Left = (Screen.Width - Width) / 2
End With
Combo2.AddItem "January"
Combo2.AddItem "February"
Combo2.AddItem "March"
Combo2.AddItem "April"
Combo2.AddItem "May"
Combo2.AddItem "June"
Combo2.AddItem "July"
Combo2.AddItem "August"
Combo2.AddItem "September"
Combo2.AddItem "October"
Combo2.AddItem "November"
Combo2.AddItem "December"

For i = 0 To 20
    Combo3.AddItem 2000 + i
Next i
'Option2.Value = True
End Sub

Private Sub Option2_Click()
If Option2.Value = True Then
    Combo1.Visible = False
    Labell.Visible = False
End If
End Sub

Private Sub Command1_Click()
Me.Hide
frmperiod.Show
End Sub

Private Sub Command2_Click()
Options.Hide
frmdataentry.Show
End Sub

Private Sub Command3_Click()
Me.Hide
frmcompare.Show
End Sub

Private Sub Command4_Click()

```

```
Me.Hide
frmreport.Show
End Sub
```

```
Private Sub Command5_Click()
Unload Me
frmcomprpt.Show
End Sub
```

```
Private Sub Command6_Click()
On Error GoTo errhandler
Shell "calc"
errhandler:
Exit Sub
End Sub
```

```
Private Sub Exit_Click()
Dim response As Integer
response = MsgBox("Are you sure you want to exit this application?",
vbYesNo + vbQuestion + vbDefaultButton2, "Exit Program")
If response = vbYes Then End
End Sub
```

```
Private Sub Form_Load()
With Me
.Top = (Screen.Height - Height) / 2
.Left = (Screen.Width - Width) / 2
End With
End Sub
```

```
Option Explicit
Private Sub Form_KeyPress(KeyAscii As Integer)
Unload Me
Options.Show
End Sub
```

```
Private Sub Form_Load()
With Me
.Top = (Screen.Height - Height) / 2
.Left = (Screen.Width - Width) / 2
End With
lblVersion.Caption = "Version " & App.Major & "." & App.Minor & "."
& App.Revision
End Sub
Private Sub Timer1_Timer()
Options.Show
Splash.Hide
'Timer1.Enabled = False
End Sub
```

```
Option Explicit
Public dtlogin, dtlogout, user, access As String
```

```

Public month, month1, month2, acct1, acct2, heading As String
Public year, yr1, yr2 As Integer
Public cn As ADODB.Connection
Public rsLogin As New ADODB.Recordset 'Recordset for users
Public rsaccount_name As ADODB.Recordset
Public rsprofitloss As New ADODB.Recordset
'It creates connection and on successful connection
'allows to proceed other work
Public Sub main()
    'Error Handling (Suppress Any Error during Program execution)
    On Error Resume Next

    Splash.Show
    DoEvents 'it allows splash screen to display

    'Database Connection Code
    Set cn = New ADODB.Connection
    cn.ConnectionString = "provider=Microsoft.Jet.OLEDB.4.0;data
source=pl_acct.mdb;"
    cn.CursorLocation = adUseClient
    cn.Open

    If cn.State = adStateOpen Then
        'when no database connection error occurs
        Set rsLogin = New ADODB.Recordset
        rsLogin.CursorLocation = adUseClient
        rsLogin.Open "Select * from Login", cn, adOpenDynamic,
adLockPessimistic
        rsaccount_name.Open "select * from account_name", cn,
adOpenDynamic, adLockPessimistic
        rsprofitloss.Open "select * from profitloss", cn,
adOpenDynamic, adLockPessimistic

        frmLogin.Show
        Unload Splash

    Else
        'when database connection error occurs
        MsgBox Err.Description, vbCritical, "SIPS"
        End
    End If
End Sub

```