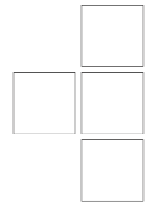


SEEBACHER-METHOD®

# Balance Sheet and P/L

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Investment, Financing, Bank Account

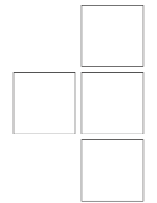


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Please note that despite careful processing all data, annotations, presentations and calculations in the example given are made without warranty and that the author or the publisher refuse to accept any liability.



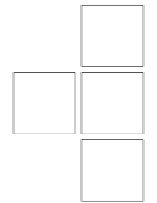
## ASSIGNMENT OF TASKS

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In this example an enterprise is presented where an investment is placed at the beginning of the business year. The invested sum amounts to 500,000 and is financed totally from the existing bank account. The depreciation period of the object is 10 years.

On the next page the balance sheet and the profit and loss account (p/l) of the enterprise are presented without consideration of the above mentioned business activities.

Please present the effect of the investment and the described, associated activities on the balance sheet and p/l of the enterprise.

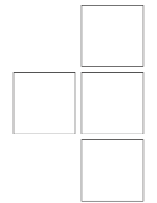


## BASIC DATA

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<b>Balance Sheet</b>			
Fixed assets	750.000	Equity	500.000
Inventories	500.000	Liabilities	500.000
Receivables	500.000	Bank loan	1.500.000
Bank account	750.000		
<b>Assets</b>	<b>2.500.000</b>	<b>Equity and Liabilities</b>	<b>2.500.000</b>

<b>P / L</b>			
Material expenses	2.500.000	Turnover / Sales	5.000.000
Personnel expenses	1.500.000		
Depreciation	150.000		
Other expenses	750.000		
Interest expenses	100.000		
<b>Expenses</b>	<b>5.000.000</b>	<b>Income</b>	<b>5.000.000</b>

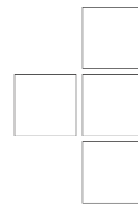


## ANSWER FORM

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<b>Balance Sheet</b>	
Fixed assets	Equity
Inventories	Liabilities
Receivables	Bank loan
Bank account	
<b>Assets</b>	<b>Equity and Liabilities</b>

<b>P / L</b>	
Material expenses	Turnover / Sales
Personnel expenses	
Depreciation	
Other expenses	
Interest expenses	
<b>Expenses</b>	<b>Income</b>



ANSWER KEY STEP 1-3/3

Balance Sheet			
Fixed assets	750.000	Equity	500.000
Inventories	500.000	Liabilities	500.000
Receivables	500.000	Bank loan	1.500.000
Bank account	750.000		
<b>Assets</b>	<b>2.500.000</b>	<b>Equity and Liabilities</b>	<b>2.500.000</b>

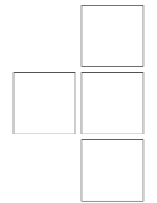
P / L			
Material expenses	2.500.000	Turnover / Sales	5.000.000
Personnel expenses	1.500.000		
Depreciation	150.000		
Other expenses	750.000		
Interest expenses	100.000		
<b>Expenses</b>	<b>5.000.000</b>	<b>Income</b>	<b>5.000.000</b>

**Data**

Investment	500.000
Useful life	10
Depreciation	50.000
Bank account	500.000

Complete Balance Sheet							
	Fixed assets	750.000		Equity	500.000		
1 →	Investment	500.000		Loss	-50.000	450.000	← 3
2 →	Depr. Investment	-50.000	1.200.000	Liabilities	500.000		
	Inventories	500.000		Bank loan	1.500.000		
	Receivables	500.000					
	Bank account	750.000					
1 →	Investment	-500.000	250.000				
	<b>Assets</b>	<b>2.450.000</b>		<b>Equity and Liabilities</b>	<b>2.450.000</b>		

Complete P / L							
	Material expenses	2.500.000		Turnover / Sales	5.000.000		
	Personnel expenses	1.500.000					
	Depreciation	150.000					
2 →	Depr. Investment	50.000	200.000				
	Other expenses	750.000					
	Interest expenses	100.000					
	<b>Expenses</b>	<b>5.050.000</b>		<b>Income</b>	<b>5.000.000</b>		
				Loss	50.000		← 3



## ANNOTATION TO THE ANSWER KEY

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The investment of 500,000 increases the fixed assets of the enterprise. At the same time the investment is financed through payment of the invested amount of 500,000 from the existing bank account. (step 1)

The depreciation amount of 50,000 results from dividing the invested amount of 500,000 through the depreciation period or the useful life resp of the object of 10 years.

The depreciation of 50,000 reduces the value of the fixed assets in the balance sheet. At the same time the depreciation increases the existing item depreciations in the p/l. (step2)

Due to the additional depreciation amount of 50,000 in the p/l the total expense rises by 50,000 in the p/l.

As the example is based on a profit or loss resp of 0 and the income is not changed, a loss of 50,000 occurs through the increased expense. This loss which was determined in the p/l reduces the equity in the balance sheet. (step 3)