



EBC*L Representative Office (Country)

EBC*L Exam Paper Level A

Dear Participant,

Please provide full details in the spaces below. By signing this paper you confirm that you completed the exam paper yourself, without any assistance from any other person. You agree to having your data recorded and processed by computer and to the electronic transmission of the result of your exam.

These details are the basis for your certificate. Please write legible!

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Date of birth

Daytime telephone number

Name of exam centre

Place of exam

Date of exam

Signature

Write your answers to the questions only on the blank extra sheets provided for this purpose (not on the papers with the questions). If you need additional paper, please ask your invigilator.

When you have finished, hand in all sheets (including the unused ones) in the envelope.

Good speed!



COMPREHENSION QUESTIONS (6 points per question)

17. Before year-end, a businessman wants to buy a company car costing EUR 24,000.
“This will reduce my profit this year by EUR 24,000. This will save me a lot of tax.”
Please explain whether the businessman’s assumption is correct or not.

18. Suppose you are a partner in an ordinary partnership. This partnership goes bankrupt. As you are the only one of the four partners in this ordinary partnership who has considerable personal wealth, the creditors seek to collect all their claims from you alone.
Will they be successful? Give a reason for your answer.

19. A fitness centre has poor attendance in summer. This is a great problem because of its high fixed costs.

- a. What may the fixed costs of a fitness centre be?
- b. Should the fitness centre reduce its price below the calculated long-term cost price (summer special) to raise attendance in the summer? (Give reason from a business management perspective.)
- c. What could be the negative effects of such a measure in this case? (give 2 examples)

20. A balance sheet shows on the asset side a sum of 300.000 Euro. On the equity and liabilities side you find borrowed capital amounting to 280.000 Euro. The borrowed capital consists of 150.000 long-term bank loans, 80.000 Euro reserves and 50.000 Euro short-term liabilities. The revenues from sales are 1.000.000 Euro.

- a. Calculate the equity ratio of the company.
- b. How do you assess the equity ratio?

Points



CASE STUDY (12 points)

21. A company's P&L account (in account form) looks as follows:

P&L Account

Cost of sales	26,000,000	Revenues from sales	50,000,000
Operating expenses	5,000,000	Income from interest and securities	4,000,000
Personnel	15,000,000	Extraordinary income	3,000,000
Advertising	1,000,000		
Depreciation	4,000,000		
Interest expenditure	2,000,000		
Extraordinary expenses	1,000,000		
Profit	3,000,000		
	57,000,000		57,000,000

What is ...

- a) the operating result?
- b) the profit/loss on ordinary activities?
- c) the cash flow?
- d) what conclusions can be drawn from these key financial figures?

Points

Write down the full calculation procedure for each task.