COMPUTERIZATION OF CORPORATE BALANCE SHEET USING SPREADSHEET PACKAGE: A STUDY OF FIRST BANK OF NIGERIA PLC.

BY

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DECLARATION

This project entitled "COMPUTERISATION OF CORPORATE BALANCE SHEET USING SPREADSHEET PACKAGE. A STUDY OF FIRST BANK OF NIGERIA PLC' is my original work never submitted anywhere before for award of any degree. Materials referred to have been duly acknowledged.

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MARCH, 1998.

CERTIFICATION

This project titled "COMPUTERISATION OF CORPORATE BALANCE SHEET USING SPREADSHEET PACKAGE: A STUDY OF FIRST BANK OF NIGERIA PLC". by OGUNWOLE BUKOLA IBILOLA meets with the regulation governing the award of the Post- Graduate Diploma in Computer Science, Federal University of Technology, Minna is approved.

_____ _____

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External Examiner Date

DEDICATION

To GOD who knows all about me,

To my darling husband; and

To my Precious Gift from the Lord

ACKNOWLEDGEMENT

I appreciate the Most High GOD, who is and was and is to come. For my life is complete in Him. He brought me thus far.

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ABSTRACT

In this work, a pre-written program package, spreadsheet Lotus 1-2-3, is applied to produce a typical Balance Sheet of First Bank of Nigeria Plc (FBN PLC). It was deduce that this application is more efficient than the manual method, which is commonly in use in some organizations.

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CHAPTER ONE

1.1 GENERAL OVERVIEW

The information need of decision makers of various kinds brings about the need to prepare final accounts or financial statements. These statements include Profit and Loss Account, Balance Sheet and lately Fund Flow Statement. This is the culmination of accounting procedures in any organization, which represents the shop window through which the organization is analyzed and judged.

For any information to be useful some of the qualities it must possess are timeliness and accuracy sometimes also the presentation of such information of such information becomes very important. The final accounts must possess these qualities before it can be of any real use to decision makers. Besides, the years of any business, organization is divided into accounting periods and usually this is twelve calendar months. At the end of each period financial statement the must be ready and submitted for auditing before it can be published if necessary. All these are done within a time limit which makes the accounting section headed by an accountant to work and to see that these statements are ready on time.

In the course of these activities, the possibilities of errors become high and accuracy is compromised. This is especially so where the accounting system is manually done. In order to overcome these problems many organizations are computerizing there system and among these many organizations are banks in Nigeria. In this very instance the work considers the application of computer strictly to the preparation of balance sheet and especially the way Lotus 1-2-3 could be used to facilitate this.

The thrust of the matter therefore, in this work is the application of Lotus 1-2-3 to the preparation of balance sheet and a particular case study was chosen to demonstrate this, which is First Bank of Nigeria Plc in particular. The balance sheet of the bank for 1996 was taken as the data. The steps to be taken using Lotus 1-2-3 was applied to the balance sheet to be run on a computer system in order to see the output.

What to be tested for include the simplicity, flexibility and the power of the program to perform creditably what it is commanded to do. This package has been acclaimed to be good for the business world. Lotus 1-2-3 has had many release with each having improvement over the other subsequent ones.

It is believed that this will go some way to solve the problem of drawing up balance sheet. It will then be a matter of choice for the organization.

1.2 STATEMENT OF THE PROBLEM

Usually all the books of accounts are prepared manually by employing clerical hands to prepare the books of Account for any organization. It is obvious that through this manual preparation of books of Account, there is likelihood of committing some errors; which makes the work to be inaccurate, the work is done with low speed, it is time consuming (this makes the presentation to be untimely), and stressful. Etc. but by employing the computer, no matter how bulky the task may be the instructions given to the computer will be executed adequately and accordingly. But these set of instruction must be given correctly since the computer depends on the instructions or commands given to it by the user with little human intervention.

It must be stressed clearly that though the work will be completed within limited time compared to the time used for manual preparation, and the speed at which the instruction are executed is very high, without stress. But it should be noted that any error or wrong instruction given to the computer cannot be executed or executed according to the users expectation. In other words, computer cannot assume for the user, if no provision is made to handle the error since the computer is inhuman. The activities of the computer greatly depend on the instructions supplied by the user. Hence we have GIGO-IN GIGO-OUT or GARBAGE - IN GARBAGE-OUT.

1.3 OBJECTIVES OF THE STUDY

This study is not just to be done in abstract and without any aim but this is to achieve basic objectives for the use of computer in business world. These can be viewed as follows:

1) It has already been stated that Accounts clerks are being employed to prepare Books of Account but computer can be incorporated into any organization for the execution of the same task. This is written to prove the possibility.
2) Moreover, to reduce the stress that may be involved in using manual labour. The imposition of this stress can be averted.
3) This is to help any organization to be able to give a timely response or attention to the end users of the balance sheet and to customers.
4) With the advancement in technology and the increase, in commercial activity over the centuries, man has long been concerned to fashion tools to help him control these activities and to compile the records arising from these activities and to fashion tools to help him control these activities and to compile the records arising from them. Therefore, the electronic computer the most sophisticated tool was devised for this purpose.
5) Electronic computers have certainly outstripped the human mind in the speed with which it can absorb information, process it, and communicate the results, the reliability with which it can carry out repetitive operations and its capacity to store vast quantities of information and to retrieve any item in a very short time.
6) The use of computer will be able to achieve a level of efficiency in processing information, in controlling commercial and industrial activity and in exploiting new technological developments.

This research is out to prove that all these can be achieved through the use of computer and especially by using spreadsheet – Lotus 1-2-3 on the computer.

1.4 SCOPE OF THE STUDY

The preparation of the books of Accounts of any organization in Accounting involves the preparation of Accounting day books; Journals, Trial Balance, Ledger, Profit and Loss Accounts and the Balance sheet.

All these books will only be looked at briefly while Balance sheet will be looked at more closely. Though, there are other packages under spread sheet but Locus 1-2-3 will be used for this project work.

1.5 NATURE OF CORPORATE BALANCE SHEET

Simon stevin of Bruges invented the Balance sheet in the sixteenth century and referred to it as "statement of affairs" of the business, a phrase which is still in use today in connection with single entry- John Page/Paul Houper (1987).

Balance sheet is only a MEMORANDUM it is not an Account itself, that is, it is not part of the real Accounting books; the Balance sheet shows the company's affairs at the end of the financial year. A Balance sheet is a list of the accounts in the ledger. On one side, it shows the accounts that have debit balances, and on the other side the accounts that have credit balances. In other word, it can be said that a balance sheet is what it name says; a sheet on which we make a list of balances that already exist on the accounts. Nothing can appear on a balance sheet unless it actually appears on one of the pages of the ledger already prepared.

In order to prepare the final Accounts, the profit will be added to the owner's capital account (or perhaps deduct the loss from the owners capital Account) by this the degree of success of business is achieved and then the summary of the final position of the business is drawn up as a balance sheet which shows that the assets and liabilities of the firm. The balance sheet is grouped into sections. On the left had side there is the long-term liability e.g. share capital, current liability e.g. creditor and on the right hand side; the fixed asset and the current assets. The fixed assets is the first section under which we have machinery, vehicles, investment etc following it is the current

asset e.g. Debtors, stock etc. while the last one is the fictitious asset e.g. Discount received.

1.6 PROCEDURE FOR GENERATING BALANCE SHEET

Before any book of Account can be considered, there must be solid business agreement between parties which can be termed as a transaction which is the act of buying and selling. One will be on the receiving side while the other will be on the giving side. That is the seller and the other accepting the service.

Therefore, there are original books of entry through which the balances are generated for use in the Balance sheet. But it will be more appropriate to look into the documents that are used to generate the information for the books briefly.

1.6.1 TRANSACTIONS

Every transaction that takes place, whether it is a purchase, a sale, a return, a payment or some other type of transaction, has an original document. From this document, entries are posted to appropriate books. These documents are called invoices, credit Notes, Statements, Receipts, Petty cash vouchers, or they may be formal agreements like a Hire purchase Document or a legal contract. Even mere letters of compliment require some action to be taken.

1.6.2 BOOKS OF PRIME ENTRY

These documents are first recorded in a book of original entry. These books may be Journals, for any transaction on credit, that is Day Book or cash books like the three-column cash book or the petty cash book; For any transaction based on cash. There may be Bill Books to record Bills of Exchange, consignment Books to record consignments and other specialized books. These Day Books keep a record of the document received in chronological order.

1.6.3 LEDGER

When the original documents have been entered in the Day Books then the transactions are posted into the ledger, which is the main book of account. Every transaction will appear twice because one account will be receiving value and another giving it, that is, to every debit entry there should be a corresponding credit entry. For this reason, the entries will be a debit entry in one account and a credit entry in some other accounts. If the double entry is done carefully, the total entries on the debit side will exactly balance the total entries on the credit side. This is the way the books are being checked by taking out a Trial Balance.

1.6.4 THE TRIAL BALANCE

This is what its name implies, and attempt to discover whether the books really do balance. If this book does not balance, it will be clear that there is a mistake somewhere, and this must be discovered.

To take out a Trial Balance every account in the ledger must be considered, and there may be thousands of them. Each account will be in one of three positions:

(a) It may have a debit balance outstanding

(b) It may be clear-having no outstanding balance.

(c) It may have a credit balance outstanding.

With the Trial Balance all the debit balances are brought into a list of debit balances, and all the credit balances into a list of credit balances. These two columns of balances should come exactly equal. The idea of the Trial Balance is the most important idea in Book-Keeping by the double entry system.

1.6.5 THE FINAL ACCOUNTS

Under the final account, three (3) accounts stand out and these are as follow:

(a) The Trading Account

(b) The profit and loss Account and

(c) The Balance Sheet; which is the one under study though not an account itself but a memorandum. These will be explained in turn.

(a) The Trading Account

This Account is prepared in order to find out whether a business is profitable or running at a loss. This shows whether organization is operating at a profit or otherwise. The sales figure is gotten from the sales Account; the purchases are from the purchases Account. After one or two adjustments, chiefly connected with opening and closing stocks the cost of goods sold will have to be noted. A few more little matters help to discover the cost of sales, which is not quite the same as the cost of goods sold, since it includes a few expenses. Then sales minus cost of sales give overall profit – called in book-keeping, the gross profit or as the case may be a gross loss.

(bi) ***The profit and Loss Account***

In this second, half of the final Accounts the Gross profit is started with and the overhead expenses is taken into account. Then items of profit are added such as commission or discounts received. This leads to the clear profit or clean profit – called in book-keeping, Net profit. The Net profit is the reward of the business man or organization for the efforts expended, and is added to the capital Account.

(bii) ***Appropriation Account***

A company is in some ways like a very large partnership, except that the shareholders have limited liability. Each shareholder hopes to receive an appropriation of profit, but the directors will decide this – Geoffrey whitehead (1982)

Appropriation Account for a company therefore usually starts with an opening balance on the credit side. Then, the Net profit is transferred from the profit and loss Account to the credit side, under the balance. The directors may put aside part of the Net profit as reserves and share the remaining out to the shareholders.

(c) ***Balance Sheet***

Though the balance sheet is not an account but a memorandum yet, it is part of the final books prepared for the use of end users – which in the case of the cooperate body, are the shareholders and the interested external bodies e.g. investors.

After the preparation of the above named accounts all that is needed to be done is to summarize the final position of the business by drawing up a Balance Sheet, which shows the assets and liabilities of the firm.

ANAO (1989), defined Balance Sheet as a collection of the residual values of assets and liabilities which are carried over from one accounting period into the next, for the purpose of continuing the business of the firm. The final Account includes the Balance sheet though not an account but a statement.

1.7 METHODS OF PRESENTING BALANCE SHEET

There are four (4) alternative formats for the profit and loss account; and two (2) alternative formats for the Balance sheet. One in horizontal and one in vertical style, section 1 of the companies and Allied Matters Acts (1990) requires that the Accounts shall be in one of the formats prescribed and shall present a "true and fair view" of the affairs of the company.

These will be looked at one after the other.

(a) Horizontal Format

(b) Vertical Format

(a) Horizontal Format sheet is prepared inform of the ledger Account or Trading Account. This type of balance sheet has been arranged in the Account form, that is the assets are on the right side of the page and liability and owner's equity on the left side which can be viewed as follows:

FOBUR PLC

THE BALANCE SHEET OF THE COMPANY AS AT 31ST DECEMBER, 1996.

ARE CAPITAL	₦	FIXED ASSETS		₦
orized and issues:		Goodwill at cost		55.000
000 8 percent cumulative		Freehold property		60.000
red share of N1.00 each		at cost		
00 ordinary shares		Leasehold property		
s of N0.5 kobo each	200,000	at cost	140,000	
premium account	150,000	Less: Dep.	18,000	122,000
	5,000			
cent Debenture	355,000			
red on freehold		Plant and Machinery		
rty) 60,000		at cost	220,000	
Accrued Interest 2,700		Less: Dep.	60,000	160,000
tors	62,700			
overdraft secured on	85,000			
old, land and building and		Quoted investment at cost		40,000
	96,000	CURRENT ASSETS		
		Stock	30,000	
		Debtors	60,000	90.000
		Preliminary Expenses		2.500
		Profit and loss		
		Account (Credit Balance)		69.200
	₦598,700			₦598, 700

(b) ***VERTICAL FORMAT***

The Balance sheet of an organization can be arranged in a vertical style. The advantage of this method is that it is easy to print, it gives plenty of

room to print the easy to print, it gives plenty of room to print the Depreciation, etc. The vertical balance sheet is in report form, that is, the liabilities and owner's equity sections are followed by the assets section.

FOBUR PLC

BALANCE SHEET AS AT 31ST DECEMBER, 1996.

CAPITAL EMPLOYED **SHARE CAPITAL**	**₦**		**₦**
Authorized: 200,000 ordinary shares of each N1 each	200,000		
Issued 300,000 ordinary shares of ₦ 0.5 each			150,000
RESERVES:			
Capital Redemption Reserves fund	8,000		
General Reserve	35,000		
Unappropriated profit	2,000		45,000
Net Capital employed			195,000
REPRESENTED BY	COST OR VALUATION	DEPRECIATION TO DATE	NET
Fixed Assets	₦	₦	₦
Buildings at Valuation	80,000	-	80,000
Machinery at cost	30,000	10,000	20,000
Motor Vehicles at cost	18,000	7,000	11,000
	128,000	17,000	111,000
INVESTMENTS:			
Quoted at cost (market value ₦ 15,689)		10,000	
Unquoted at cost		4,000	14,000
Current Assets:			
Stock and work-in-progress			43,000
Debtors			50,000
Cash			1,000
			94,000
Less: current liabilities			
Income Tax	8,000		
Creditors	10,000		
Bank Overdraft	6,000		24,000
Working capital			70,000
			N195,000

It will be noted in the above formats that the assets in the Balance sheet are arranged in a clear and logical order.

The order usually adopted is

Fixed Assets

Fictitious Assets

Current Assets

It should be made clear that Assets are arranged in an order "from most fixed to most fluid for example

FIXED ASSETS	FICTITIOUS ASSETS	CURRENT ASSETS
Freehold Land and Buildings	Goodwill	Stock in Trade
Leasehold land and Buildings	Patient	Work-in-progress
Plant and machinery etc.	Trade mark etc	Sundry Debtors etc

The assets are the valuables of the organization. The same rule that apply to the assets applies to the liability side though the rule is more flexible and this is as follow:

Capital Account

Secured liability

Current Liability

The purpose of balance sheet standard classification of assets and liabilities is to aid management, owners, creditors and other interested persons in understanding the financial position of the business.

1.8 BALANCE SHEET INFORMATION NEEDS

The Balance sheet information is needed by the end users. Firstly, there is analysis by those outside the firm who are seeking to understand more from the published accounting data in order to invest. On the other side, there is the management, which wants to interpret a fuller range of internal information in a meaningful way. In both situations, current information will be assessed in relation to past trends of the same business – Omuya (1985).

Moreover, the Balance sheet is drawn up in order to give a picture of the financial position of the business for the two (2) categories of users

names above. It reveals whether the business is solvent or insolvent. It shows how much is invested in different forms of property, and it provides an incentive to the organization to ensure that the assets shown by the books are actually in the possession of the organization. Its agreement also provides a check on the accuracy of the revenue accounts in much the same way as the agreement of a Trial Balance provides evidence of the arithmetical accuracy of the books, and tangible financial decision can be taken. The Balance sheet must be adequately employed to get the required information.

1.9 PREPARATION OF BALANCE SHEET AND COMPUTER

From the inception of accounting system until date, many organizations have been preparing their books of Account especially Balance sheet by employing manual labour, that is, this task is being accomplished by the Accounting clerks. And with the advancement in the world of technology especially in the computer world, a more sophisticated equipment can be utilized with minimum labour to achieve this task.

It will be more appropriate to stress it here that the purpose of a Balance sheet is to show the financial position of a business at a particular date. Every business prepares a balance sheet at the end of the year and most companies prepare one at the end of each month. A Balance sheet consists of a listing of the assets and liabilities of a business and of the owners equity.

It should be noted that the Balance sheet sets forth in its heading three items:

(1) The name of the business

(2) The name of the financial statement "Balance sheet" and

(3) The date of the Balance sheet.

And below the heading is the body of the Balance sheet, which consists of three distinct sections:

Assets, liabilities and owner's equity.

CHAPTER TWO

DATA PRESENTATION AND ANALYSIS

2.1 *INTRODUCTION*

The necessity of studying how Lotus 1-2-3 can be used in presentation of corporate Balance sheet gives rise to this chapter. The major task of the chapter is to present a typical Balance sheet and in particular that of first Bank of Nigeria PLC and to state the steps by which the use of spreadsheet could facilitate the presentation of this. The task here is descriptive and it involves the presentation of the outcome-using computer. The balance sheet of the Bank becomes the data for the chapter while the steps represent the analysis. The chapter also considers some findings about the balance sheet and the application of Lotus 1-2-3.

2.2 *HISTORICAL BACKGROUND OF FIRST BANK OF NIGERIA PLC.*

From the Annual report of first Bank Plc, 1996, it was gathered that First Bank of Nigeria Plc is a leading banking institution in Nigeria with over a hundred years of banking experience, industry and resilience behind it. Founded in 1894 by a shipping magnate from Liverpool, Sir Alfred Jones, the Bank commenced as a small bank in the office of Elder Dempster and company in Lagos. Today, First Bank of Nigeria Plc has diversified into a wide range of banking activities and services including commercial, merchant and international banking, and has become a potent factor in the development of the country.

The Bank was incorporated as a limited liability company in London on March 31, 1894, with Head office in Liverpool, under the corporate name of the Bank of British West Africa. With a paid up capital of 12,000 pounds sterling, it started business after it had absorbed its predecessor, the African The Banking Corporation which was established earlier in 1892. The Bank in its early years grew rapidly, working in close corporation with the colonial Government in performing the traditional roles of a central bank such as issue of specie, in the West African sub-region.

In 1896, a branch was opened in Accra, Gold Coast (now Ghana) while another was established in Freetown, Sierra Leone in 1898. this marked a milestone in the Bank's international banking operations. The second branch in Nigeria was opened in the old Calabar in 1900 and two years later, services had extended to Northern Nigeria with a branch network of 293 in 1996, spread throughout the federation, including London, the Bank has the largest number of branches in the industry. The Bank has experienced phenomenal growth over the years. With a share capital of ₦55.6 million in 1980, which rose to ₦ 335.25 million in 1996. The Bank's total assets currently stand at ₦ 72.8 billion; supported with a deposit base of ₦ 41.64 billion.

In pursuance of its objectives, the Bank has had to continually adjust its organizational structure and corporate entity. Beginning with a change of its name to the Bank of West Africa in 1957, reflecting the movement towards independence by West African countries, the Bank was incorporated locally in 1969 to become standard Bank of Nigeria limited. This was in response to the dictates of the companies Decree 1968. Thereafter, the active participation of Nigerians in the management of the Bank become a corporate policy. Further changes in the name of Bank were made in 1979 and 1991 to First Bank of Nigeria Limited and First Bank of Nigeria Plc, respectively. The Bank has maintained its leadership in financing long-term development of the economy; which started in 1947 with a long-term loan to the colonial Government. Today, the Bank boasts of a diversified loan portfolio to various sectors of the economy. The Bank's rural banking records is unmatched by any other bank while its agricultural credit facilities through the community farming loan's scheme has given peasant farmers tremendous access to the much needed bank credit.

The Bank has won several times, the coveted stock exchange president's Merit Award as the bank with the best financial reporting in the banking sector. Similarly, the Bank has come first at the Central Bank of Nigeria's farmers Merit Award, a total of five times. It has improved substantially on its operational performance in the last three years with a

record performance in 1996. The Bank's performance in 1996 shows that it has not rested on it oars; thereby ensuring a good beginning for meeting the challenges of the second century.

In meeting these challenges, it is the Bank's commitment "to put a smile on the face of every customer.

2.3 *COMPUTERIZATION OF FIRST BANK OF NIGERIA PLC*

In order to enhance operational efficiency in the Bank's branches nationwide, the bank embarked on computerization programme. Before 1996, the Bank has computerized it operations. For further development, ten manual branches were computerized during the year (1996) and a total of sixteen branches were successfully converted from mainframe to Bank master LAN.

In addition, the MODEM Link installed between the Head Office and its London Branch was upgraded to allow the electronic transmission of letters of credit. Letters of credit through the London branch are now advised in a matter of seconds, thereby saving valuable time for customers. Notwithstanding the infrastructural problems and huge financial outlay required for on-going re-engineering process, the management seems committed to the nationwide connectivity of key branches through the Wide Area Network (WAN) and the link to the global banking system.

Precisely, the bank has recorded significant progress in its computerization programme, it has provided on-line facilities to handle all aspects of retail banking. In addition, in-house package has been developed for a section of financial control Department and international Banking Division.

It should be noted however, that this work to express the use of the spread-sheet to the organization's Balance sheet. This does not mean that the Bank uses. Lotus 1-2-3 for its balance sheet but a form of a pre-written program designed for its own purpose.

2.4 A TYPICAL BALANCE SHEET OF FIRST BANK OF NIGERIA PLC

BALANCE SHEET AS AT 31ST DECEMBER 1996

		THE GROUP		THE COMPANY	
		1996	1995	1996	1995
ASSETS	NOTES	N'000	N'000	N'000	N'000
Cash & short-term fund	1	33,915,347	31,558,388	32,989,523	29,920,537
Bills Discounted	2	16,126,954	9,338,116	14,058,536	8,251,260
Investments	3	175,799	151,051	177,699	152,951
Loans and Advances	4	17,107,831	12,666,432	16,144,259	11,741,451
Other Assets	5	5,121,630	6,135,579	5,058,770	6,084,585
Equipment on Lease	6	569,972	344,710	323,996	150,838
Fixed Assets	7	4,251,879	3,066,024	4,066,024	3,519,333
TOTAL ASSETS		77,269,31	63,872,448	72,818,807	56,820,955
LIABILITIES					
Deposits and current Accounts	8	58,213,912	43,464,097	55,497,623	41,641,080
Taxation	9	356,206	341,924	308,565	275,234
Other Liabilities	10	11,681,345	13,802,193	10,618,778	12,129,665
		70,251,463	57,608,214	66,424,916	54,045,979
CAPITAL AND RESERVES					
Called-up Share Capital	11	336,247	215,198	336,247	215,198
Statutory Reserve	12	758,655	590,702	632,799	483,269
Exchange Difference Reserve	13	1,699,416	1,700,770	1,699,416	1,700,770
General Reserve	14	1,500,983	1,119,157	1,262,065	942,637
Bonus Issue Reserve	15	84,062	53,800	84,062	53,800
Core Capital		4,379,363	3,679,627	4,014,589	3,395,674
Fixed assets Revaluation Reserve	16	2,379,302	2,379,302	2,379,302	2,379,302
Capital and Reserves		6,758,665	6,058,929	6,393,891	5,774,976
Minority Interest		259,184	205,305	-	-
		7,017,849	6,264,234	6,393,891	5,774,976
		77,269,312	63,972,338	72,818,807	59,820,955
Contingent Liabilities And other obligations on Behalf of customers and customers' Liability therefor	26	6,685,058	2,349,600	5,598,432	1,492,377

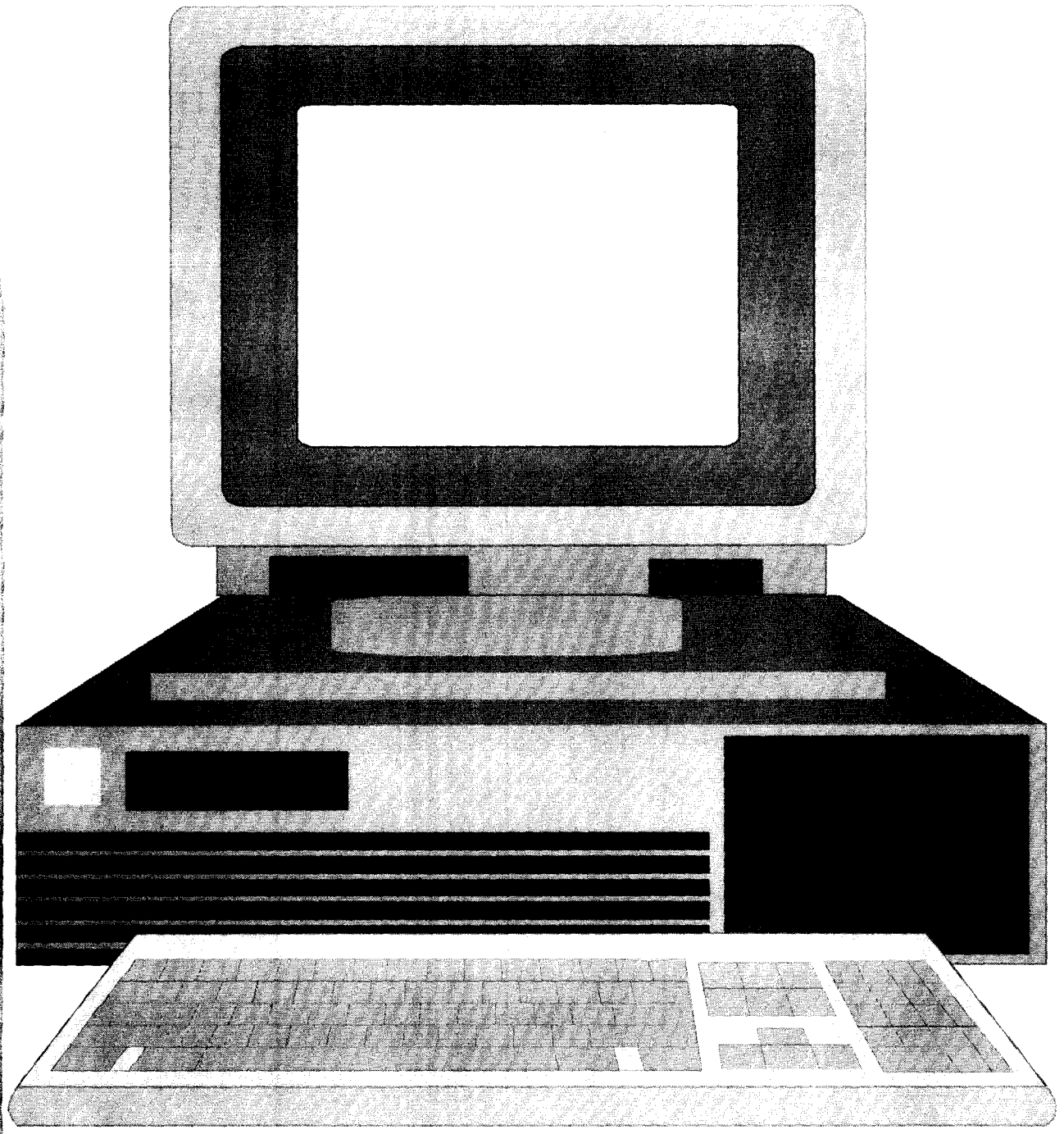
The above data is a typical corporate Balance Sheet of First Bank PLC and there are certain peculiarities about it. The first thing that could be noticed is the brevity of the Balance Sheet which is due to fact that further notes are given for more explanation and this also forms part of the Balance sheet see Appendix 1.

The notes are numbered and they correspond to the numbers in the First Bank of Nigerian Plc Balance sheet attached.

The second peculiarity is the format that is adopted by the organization, from the above it could be seen that the vertical format is being embraced. And just as it was stated before that the method has the

advantage of easy printing, it gives room to printing more columns for the Balance sheet as the need arises.

Moreover, the above Balance sheet represents the one for the group that is first Bank of Nigeria PLC and its subsidiary companies on one hand, the company itself on the other. The balance sheet figures are for two consecutive years to ensure comparism.



CHAPTER THREE

AN ELECTRONIC SPREAD SHEET MODEL

3.1 INTRODUCTION TO COMPUTER AND IT APPLICATION.

Computer is an electronic machine. The computer is a powerful for sophisticated machine and if used wisely, and in the right context can do much to alleviate the burden of repetitive donkey – work, increase efficiency in commerce and industry – Business world and speed up new developments in technology. The introduction of this computer can be likened to an extension of the users mind. Electronic computers have certainly outstripped the human mind in the speed with which they can absorb information, process it and communicate the results, the reliability of its capacity to store vast quantities of information and to retrieve any item in a very short time – Ralph Cones (1989).

The electronic computer is the latest and most sophisticated tool. The following is an account of some of the components that make up a computer as seen in fig. 1.

3.1.1 HARDWARE COMPONENT

(1) *Keyboard*: The keys on the key board enable the user to perform adequate job through the use of the computer. The functional keys, arrow keys, Num lock keys, Cap lock key and the normal typewriter keys etc. are available to enhance the work. Any Accounting data can be typed using the keyboard.

(2) *Central processing unit*: The tedious work that will take many accounting clerks week or months to be accomplished, can take a computer minutes or hours to be accurately executed. This is achieved by the central processing unit. Central processing unit consists of the control unit. Arithmetic logic unit (ALU) and the memory (primary). Since accounting task is majorly mathematical, and all manner of mathematical manipulation are carried out by the ALU this makes it easy for accounting task. And the control unit

controls all the activities involved why the data or information can be stored in the memory.

(3) *Visual Display Unit (VDU) or monitor*: By the help of the VDU one can view all that is being done on the computer. This can act as both the input and output device for the user. Moreover easy adjustment can be made and correction can be effected. Many VDUs have graphic capabilities and some can be adopted to accept light pens as an input stimulus.

(4) *Hard Disk*: For permanent storage of accounting data or information the hard disk can be made use of, this acts as the secondary storage because any information/data in the main memory can be lost at any instance of power failure. And it has larger memory capacity than the main memory.

(5) *Diskette*: This is the most advanced and widely used input device in business applications. Diskette is a secondary storage device that can be used to store data or information for accounting work without corruption if properly taken care of. The two types of diskettes that are readily available are 3.5 inch and $5^1/_4$ size diskette, though 3.5 is the most often used in the recent times.

(6) *Printers*: This device is ideal for printed reports and other output that must be understood by people and for which a hard copy is desired. If output must be disseminated to various users, or if a permanent record is necessary, the printer is usually used. Printers are usually much faster, up to 2,000 or so lines per minute. The most common printers are high-speed impact line printers. There is also non-impact line printer. Impact can be bars, drums or chains while that of non-impact are electro-sensitive, electrostatic, electro-photographic and ink jet printers.

(7) *Magnetic Tape*: This input device has been a staple in business data processing since its inception and remains very widely used today. Magnetic tape is similar to that used in home tape recorder

or cassettes, except that characters and numbers are entered in the place of music or voices.

3.1.2 SOFTWARE

As computer use has become more widespread, many programming languages have been developed, with each language being designed to accomplish some specific task or meet some perceived need, under this, there are:

(1) *THE PRE-WRITTEN PACKAGES*: These can be used conveniently to accomplish accounting tasks without any set back or incomplete work being done by the computer. Some of the pre-written packages are;

(a) *Spreadsheet*: An electronic spreadsheet is one, which is made up of a group of cells divided into rows and columns, in which data and mathematical operations could be entered and manipulated e.g. Lotus 1-2-3, Micro soft Excel, and Quattro pro.

(b) *Word perfect*: This is the storage and the organization of language by electronic means especially for business purposes. This can also be said to be the automatic manipulation of the natural language text.

(c) *Operating system*: This is a set of internally stored general instructions that control and co-ordinate the activities of various hardware devices (input, storage, processing and output). These instructions are called the master program, the control program, and these are generally supplied by the hardware vendor.

The pre-written packages are soft wares-programs that are written by the manufacturers or software houses for the use of any interested users.

3.1.3 PROGRAMMING LANGUAGES

The programming language is the basic tool that a computer programmer uses to instruct a computer to perform any defined task. Each make of computer has its own machine language, in which each instruction is written in a binary code that may be interpreted by the internal circuitry of

that computer. Each machine language instruction is simply a string of zeros and ones – Barry (1982).

There are some of the developed programming languages by manufacturers. These are COBOL (common Business oriented language), FORTRAN (formula TRANSLATOR), BASIC (Beginner's All purpose symbolic Instruction code). PASCAL and c – language.

Though COBOL and BASIC are more of business oriented than all other ones.

Furthermore, the organization can also make use of DBMS, which is Database management system to achieve the accounting task.

It should be noted that the computer cannot do more than what it is instructed to do by the instructor, computer operator or programmer. "Actually it is not usual for computer to prepare final accounts, although it can be programmed to do so". – Geoffrey whitehead (1981).

The preparation of corporate Balance sheet by the computer can achieved by giving the computer adequate instruction.

3.2 OBJECTIVES OF COMPUTER APPLICATION

The importance of the computer application to the preparation of corporate balance sheet cannot be over emphasized, because of the following objectives, which can be achieved.

(1) *Timeliness*: There will be timely accomplishment of the organizational task. There will be no delay in the preparation of the final accounts with efficiency on the part of the accountant or the accounts clerk. The produced information can be presented to the end users on time e.g. owners, creditors and investors and interested parties.

(2) *Less Human Intervention*: Once a correct, complete and accurate instruction is given to the computer to execute a task the operating system takes over with little or no intervention at all from the operator.

(3) *Easy correction*: Peradventure there is any error in the instruction given to the computer the translator (interpreter and complier) detects this error. The language translators have the ability to detect both the

syntax and semantic errors and once this is pointed out to the operator immediate correction can be done.

(4) *Speed:* The speed at which the computer executes these instructions cannot be compared with the pace at which accounting clerks will perform it. Within nano seconds thousand of data would have been executed by the computer.

(5) *Accuracy*: Less error are committed by the computer once accurate instructions are given to it. Due to the bulkiness of the accounting job errors could easily be committed manually but this can be greatly reduced or averted by employing the service of the computer.

(6) *Output*: The user can have the output in many forms e.g. graphs can be drawn easily, flow charts, pie chart, Histogram etc. the output can be viewed on the visual Display unit (VDU) and the hard copy can be produced. All these can be done according to the given instruction.

(7) *Repetitiveness*: The computer is a most important powerful tool, and if used wisely, and, in the right context can do much to alleviate the burden of repetitive donkey – work.

(8) *Incentive*: It is more pleasant and interesting to work with computer than the use of manual labour. The stressfulness would have been removed; moreover, any employee sent on computer training to acquire computer knowledge will embrace the opportunity gladly.

(9) *Competition*: The importance of advancement cannot be over-emphasized. Organization has to grow or develop to meet up with the competitive challenges around it. Therefore, introduction of computer into any organization enables it to meet up with the competition, which is an external factor that can affect its operation and profitability since every business is operating in a competitive environment.

(10) *Data processing*: The data to be processed are automatically processed by the computer according to the set down instructions. The brain of the accounts Clerk need not to be over tasked, the job is carried out easily by the computer.

3.3 INTRODUCTION TO SPREADSHEET

Back in the early part of the decade, at the time of the Apple II, the spreadsheet started with VisiCalc, little more than an electronic ledger. In its day, the primitive looking VisiCalc had an overwhelming advantage over traditional pen and paper. It allowed the relationships between different part of the ledger of accounts summary to be looked at and it was possible to test what would happen if basic formulae and assumptions were changed – Simon Moores (1989).

This what – if, capability quickly caught the interest of the pioneer personal computer users. Among these were Lotus Development's founders. Recognizing the potential demand for spreadsheets, then also saw how this demand could be met through the software development options presented by the newly launched IBM personal computer. The pioneer took the basic spreadsheet idea and added much more to it, including basic database functions to increase its flexibility and business graphing options to allow enhanced presentation of spreadsheet models.

In the simplest sense a spreadsheet can be thought of as a piece of paper divided into rows and columns.

3.4 SPREADSHEET PACKAGES

There are three (3) basic packages under spreadsheet. These are as follows, including their trademarks.

(1) Lotus and 1-2-3 are registered trademarks of Lotus Development Corporation.

(2) Quattro pro is a registered trademark of Borland International Inc.

(3) Excel is a registered trademark of Microsoft Corporation.

3.5 LOTUS 1-2-3

Lotus 1-2-3 application package is a program designed in the form of a spreadsheet. Hence, it is widely known and referred to by computer users as spreadsheet. In the simplest sense, a spreadsheet can be thought as a piece of paper divided into rows and columns. The intersection of a row and

column forms a cell. Therefore, an electronic spreadsheet is made up of a group of cells divided into rows and columns, in which data and mathematical operations could be entered and manipulated.

Bringing together three functions – spreadsheet, graphics, and database – in one package resulted in 1-2-3. A best seller from the start, and Lotus 1-2-3 has held its position to this day. There is a menu bar with list of software options under which there is print graph, install, view, Quit etc.

3.5.1 BASIC DEFINITIONS OF A LOTUS 1-2-3 WORKSHEET

The following definitions will provide easy understanding of the functions of every part of the worksheet, which is displayed when '123' option at the "Lotus Access system" display, is being entered.

(1) *Worksheet:* A grid is made up of horizontal rows and vertical columns. A worksheet contains 8192 rows and 256 columns, which cannot fit on the screen at once. So only, a portion of the worksheet is displayed at any time. This portion is known as the window.

(2) *Row Number*, Identifies a horizontal row in the worksheet. It appears on the left border of the worksheet.

(3) *Column Letter*: Identifies a vertical column in the worksheet. It appears on the top border of the worksheet.; columns are lettered A-Z, then AA – AZ then BA – BZ and so on to IV.

(4) *Cell:* A unit of the worksheet that can store data. Each cell has a unique address that consists of its own column letter and row number for example; B14 identifies the cell in column B, row 14.

(5) *Cell Pointer*: is a rectangular highlight that appears on one cell in the worksheet and identifies it as the current cell. You can move the cell pointer to any cell in the worksheet.

(6) *Control Panel (CP)*: Is located above the worksheet. It contain three lines of information about the current cell.

(7) *First line of CP*: Contains information about the current cell, including the cell address, cell contents column width, format and the protection status. It also contains the mode indicator. The format setting

determines the way in which an entry appears in the cell. The status tells if changes can be made to the current cell contents.

(8) *Second line of CP*: Displays the current entry when creating or editing the entry. It displays the main menu a list of commands that appears when '/' is pressed in READY mode. It also displays a prompt or request for information that 1-2-3 needs to complete a command that is needed.

(9) *Third line of CP*: Displays either a sub-menu or a one-line description of the command currently highlighted in the menu.

(10) *Mode Indicator*: It informs the user of what state or condition 1-2-3 is currently operating. It often changes when user begins an action such as executing a command or making entry.

(11) *Status Indicator*: Describes a particular program condition, key condition. For example, the CALC indicator shows that the worksheet formulas need to be recalculated.

(12) *Date and Time*: shows the current date and time. The indicators can be changed or turned off the display of this indicator using: /worksheet Global Default command.

(13) *The arrow keys*: The arrow keys on the right hand side of the keyboard can be used to move the cell pointer one cell at one time.

3.5.2 COMMON USES OF LOTUS 1-2-3

Lotus 1-2-3 can be used for the following:

(i) Preparation of budgets and financial statements.

(ii) Developing business plans.

(iii) Performing standard accounting functions.

(iv) Graphing trends e.g. Line graphs, Bar graph, Starched Bar chart, XY (scatter) etc.

(v) Maintaining data on employees or clients (database)

(vi) Managing inventory etc.

3.5.3 TYPES OF INFORMATION IN LOTUS 1-2-3

There are three (3) main types of information that can be entered into a cell; and these are:

(a) Numbers

(b) Labels

(c) Formulas

There are some basic rules that guide the use of the above list and this would be looked into in turn.

(a) Entering Numbers:

(1) The number may begin with any of the following character 0,1,2,3,4,5,6,7,8,9,+,-,&,(, .

(2) Also a number cannot have more than one decimal point;

(3) A number can end with a '%' sign to indicate percent.

(4) Commas or space cannot be used in entering a number.

(b) Entering Labels:

(1) If an entry is started with one of the following characters: 0,1,2,3,4,5,6,7,8,9,+,-,&,(,.,@,#,$, Lotus 1-2-3 will take it as a number or a formula.

(2) If an entry starts with any thing else besides these characters Lotus 1-2-3 assumes that a label is entered.

(3) A label cannot be over 240 characters.

b (i) label prefixes

The following characters are special characters that can be used when entering a label – this tells Lotus 1-2-3 how to display the text within the cell.

Character	Character Name	How it Displays text	Example
'SAM	Apostrophe	Left - aligned	SAM
"SAM	Double-quotes	Right-aligned	SAM
^SAM	Caret	Centered	SAM
\-	Backslash	Repeating	------

These special characters are called label – prefix characters. If this is not included when entering a label, Lotus 1-2-3 will automatically assign a default prefix to the entry.

(c) Entering Formulas

In preparing the organization's corporate Balance sheet most of the things that will be undertaken is calculation. Therefore, formulas in Lotus 1-2-3 become inevitable. And this informs the package of the action to be performed - calculation of numbers.

For example, if 710 is entered into cell A1, 850 in cell A2 and 600 in cell A3 and all these are to be added, then a formula can be entered in cell A4 to add the numbers together as:

+ A1 + A2 + A3

And the result of the sum will be displayed in cell A4. Moreover, there are rules for entering formulas also which are as follows:

(1) A formula begins with one of the following characters: 0,1,2,3,4,5,6,7,8,9, +,(,@,#,$.

(2) A formula may start with the + sign. If the formula starts with a cell address.

(3) A formula may not contain any space.

(4) A formula cannot be over 240 characters.

C(i) @ function

An @fn ("at" function) is an inbuilt formula in Lotus 1-2-3 that performs a special calculation automatically. Some @functions are simple @sum for example, adds the values in a range. @sum (J1 .. J7), which is easier than typing the formula +J1 + J2 + J3 + J4 + J5 + J6 + J7 other @functions replace complex formulas. For example @NPV calculates the net present values of a series of future cash flows. An @fn can be used as a formula, combine it with other @functions and formulas, or used in a micro.

An @fn has the following format:

@fn

Or

@fn (ARGUMENT1, ARGUMENT2, -----ARGUMENTn)

Many @functions include one or more arguments (ARGUMENT1, ARGUMENT2, ----- ARGUMENTn). These supply the information 1-2-3 needs to complete the @function. An argument can be anything from a single value to a range of values, depending on the @function.

The following are the guidelines when entering an @fn:

(1) Start every @function with @ (at sign)

(2) Type the @function in either upper case or lower case characters; 1-2-3 displays them in upper case.

(3) Enclose arguments in parentheses

(4) Separate arguments with a, (comma), and ; (semicolon), or. (Period). The initial argument separator is a, (comma) and ; (semicolon) is always a valid argument separator. To set a . (period) as the argument separator, select punctuation in the default international settings dialog box or select /worksheet Global Default other international punctuation.

@SORT (16), @HLookup (TERM, RATES, CODE) and @TRUE are examples of @functions.

There are about hundred and three (103) @functions in Locus 1-2-3 which can be grouped into eight categories as Database, Date and time, financial, logical, Mathematical, special, statistical and string.

Some examples will be considered under the @function for financial:

(1) @Sum

@Sum adds the values in a list

Format

@Sum (LIST)

LIST: The values to be added (use the argument separator when entering a list of values).

Examples

Q1 Sales

500←

510:

550: SALES

515: (J7 . . J12)

505:

535←

@Sum (J7 . . J12) Returns 3115

@Sum (SALES) Returns 3115

@Sum (500, SALES, 250) Returns 3865

SIMILAR @functions

@Dsum adds values in a range that meet criteria that has been specified.

(2) @IRR

@IRR calculates the internal rate of return expected from a series of cash flows generated by an investment.

1-2-3 assumes the cash flows are received at regular equal intervals.

FORMAT.

@IRR (GUESS, RANGE)

GUESS: A values representing estimate of the internal rate of return. Because GUESS is an estimate you may want to experiment with this value.

RANGE: The name or address of the range that contains the cash flows. Negative numbers represent cash outflows and positive number represent cash inflows. Usually, the first cash flow is a negative number representing the initial investment.

Example

If initial investment was 1000, followed by 12 cash inflows of 120 each. The name of the range that contains the cash flows in CASH.

@IRR (. 05, CASH) returns 6. 11% in this example.

(3) @NPV

@NPV calculates the net present value of a series of future cash flows using a constant interest rate. 1-2-3 assumes that the cash flows occur at equal intervals at the end of periods. The cash flow amounts can vary. @NPV is useful for evaluating a long-term investment's potential for return.

FORMAT

@NPV (INTEREST, RANGE)

INTEREST The return that is required to make this investment given its risk. INTEREST can be any value greater than -1.

RANGE The name or address of the range that contains the cash flows. Cash inflows must appear as positive numbers. If no cash flow occurs in a given period, include a blank cell in RANGE.

Example

100←

120:

: flows

20:

120:

120:←

@NPV (7%, FLOWS) returns 379.05

SIMILAR @functions

3.5.4 LOTUS 1-2-3 COMMANDS.

Lotus 1-2-3 contains commands that help manipulate the spreadsheet. These commands can only be entered when the program is in the READY mode. Press the / (slash) key (front slash key). A menu appears at the top of the screen in what is known as the control panel.

Each word in the upper line of the menu stands for a different command, as the table below indicates.

Worksheet:	General Commands affecting the whole worksheet.
Range:	Commands affecting specific portions of the worksheet.
Copy:	Copy a cell or range of cells.
Move:	move a cell or range of cells.
File:	commands affecting files saved on a storage disk.
Print:	Print a worksheet.
Graph:	Graphical display of worksheet data.
Data:	Special data manipulation commands.

System:	Exist to Dos.
Add-in:	Allows access to programs, which extends the capabilities of Lotus 1-2-3. (Release 2.2, 2.3, 2.4, 4.0, and 5.0).
Quit:	End Lotus 1-2-3 session, exist to Lotus Access system menu.
Column Width:	The standard column width is nine characters. This can be changed to other widths.

CHAPTER FOUR

SPREADSHEET BALANCE SHEET MODEL DESIGN

4.1 INTRODUCTION

While it is difficult to discuss in one chapter all the implications in the design and implementation of computer systems, the objective of this section is to give a brief picture of the stages and procedures involved up to the point when the system is ready for programming. The spreadsheet model design using Lotus 1-2-3 commands on the balance sheet of First Bank of Nigeria PLC is also considered in this chapter.

In any organization, systems already exist in one form or another for the processing of data, before the decision to use a computer is taken. These systems have probably grown up over a long period of time with the development of the organization to meet its particular requirements, hence change over methods are briefly considered.

4.2 SYSTEM ANALYSIS AND DESIGN

It would be appropriate to mention at the outset that before any system analyst can carry out the task of system analysis and design, some major stages must be considered first. As follow:

(1) *Problem Definition*: The analyst must be able to define a specific problem that needs solution. That is, there should be problem definition. Many people consider this to be the most important phase. It identities and defines the problem to be solved after thorough examination of the existing system has been carried out; thus sets the direction for the whole project. It also sets the projects bounds, which define what parts of the system can be changed by the project and what parts are outside its control.

Moreover, problem definition identifies the system deficiencies. These deficiencies are subsequently used to set up the project goal. Deficiencies are often found in the course of interview, or by examining documents etc.

(2) *Feasibility study*: The system analyst also must carry out the feasibility study; however, the main object is to ensure that a change over to computer method is a workable project and is economically viable. Now the criteria on which the decision is based will vary from situation to situation.

The feasibility study proposes one or more conceptual solutions to the problem set for the project.

The conceptual solutions to the problem set for the project. The conceptual solutions give an idea of what the new system will look like. The study defines what will be done on the computer and what will remain manual. This also indicates what input will remain manual. This also indicates what input will be needed by the systems and the output that will be produced. These solutions must be proven feasible and a preferred solution must be accepted.

(3) *Systems Analysis*: System analysis is an important activity that takes place when building new information systems or changing existing ones. Hawryszkiewycz (1992) defined system analysis as the "investigation into system operation and possible changes to the system".

This phrase is a detailed appraisal of the existing system. The appraisal includes finding out how the system works and what it does. System analysts use the understanding of the existing system and its problems to design and eventually build a better system.

It is during the system analysis that the actual work of gathering the necessary data and developing plans for new systems are carried out.

(4) *System Design:* At this point, a design for the new system is produced. Once system analysis is completed, system design commences.

Designers of such systems must decide how to store the needed data in the computer and to design the software that will allow users to use this data. Designers must select the equipment needed to implement the system. At this stage, new programs or changes to existing programs are carried out accordingly, and specify a new database or changes to the

existing database. The detailed user's procedures must be produced that describe how users will use the system.

(5) *System construction and Maintenance*: The phase of system construction is often broken down into two smaller sections: Development and Implementation. The individual system components are built during development period. The programs are written and tested, and user interfaces developed and tried by users. During implementation, the components built during development are put into operational use.

Maintenance is necessary to eliminate errors in the working system during its working life and to tune the system to any variations in its working environment. There are always some errors detected that must be corrected. Often small system deficiencies are found as a system is brought into operation and changes are made to remove these errors.

4.3 METHODS OF DATA COLLECTION

Data collection techniques are the methods that an analyst can be use to gather useful data or information about any organization. This will be viewed in turn as follow:

(1) *Interview*: Interview is extremely useful source of facts and information finding during a system survey. Interviews may be held with operating employees, supervisors, managers, or executives. The experience of such persons with the detailed workings of a system provides a valuable source of information for the analyst. Interviewees are likely to provide the analyst with some useful initial ideas about existing problem and possible solutions.

A system analyst should prepare for an interview by studying both the organization chart and the job description to learn the function of the interview subject.

(2) *Questionnaire*: Questionnaire provides alternative to interviews for finding information about a system. A completed questionnaire is sent by the user and replies are analyzed by the analyst.

Thus, in summary questionnaires are used to supplement other techniques. They are useful for gathering numerical data or getting relatively simple opinion from a number of people.

(3) *Other Research Method - Past records*: This is the examination of the existing records in the organization and analyzes the content of such reports in detail to find out what in-depth relationships the system contains. Such sources are documents, report or computer programs. The analyst must examine the content of these sources and note it down on the system model.

4.4 *CHANGE – OVER PROCEDURES*

There are four basic approaches to the change - over to new computer procedures.

(1) *Parallel Running*: This means that, for a period, data are processed by both the old and the new methods. Results of the two are compared and the old method discontinued as soon as the new one is proved.

(2) *Pilot Running*: In this case, the new method is proved with simulated or old data while current data is being processed by the old system. Using old data that has been previously processed manually has the advantage that the results of processing are already known and can be checked against the output of the new system. When the new system has been thoroughly tested and proved a switch is made, discontinuing the old procedures and operating the new.

(3) *Direct Changeover*: This means the closing down of the old system completely and starting up the new as soon as possible afterwards. It does not provide the safeguards of parallel and pilot running and is normally used when there is insufficient similarity between old and new methods to provide a comparison. A direct changeover usually has to be implemented during a break in normal business activities.

(4) *Stage change-over*: This is the gradual take-on of a system procedure by procedure. This of course, is only viable with a system that lends itself to this piece-meal absorption. As each procedure is taken over,

the output is fed back, compared and used in the old system until progressively the whole system has been taken over.

4.5 COMMAND FOR THE USE OF LOTUS 1-2-3 FOR FIRST BANK OF NIGERIA PLC (FBN PLC) BALANCE SHEET

The use of Lotus 1-2-3 of any of the releases so far is always referred to as powerful, simple and easy to manipulate.

These qualities are displayed when the results of the manipulations are quite satisfactory. In applying this spreadsheet to prepare an output of standard form of FBN PLC Balance sheet and to demonstrate the applicability, some commands are very needful showing some basic steps to follow. The idea here is that anyone can follow these steps and prepare the balance sheet for himself if given the data that are necessary and the same steps can be used for any bank balance sheet having the same structure. Where the structures are different, a little bit of modification might apply. The steps for the balance sheet given above are as follows:

To check the directory

From the c\: Type dir and Enter

To check the Root directory type cd.. and Enter

To get Lotus 1-2-3

Type 1-2-3 after c\: This takes to Lotus 1-2-3 environment.

NOTE: There are three (3) types of information that can be entered in Lotus 1-2-3. These are Numbers, formulas and Label.

To Get the menu on a READY mode type front Slash (/)

To Get the Worksheet Type W (without pressing key) or move the cell pointer to worksheet and Enter.

Move the cell pointer to cell B1 and type GROUP A Then Enter

Move cell pointer to cell B2 and type Balance then press enter.

Move cell pointer to cell B3 using down arrow key.

Type sheet and enter.

Move cell pointer to cell B4 Type.

AS AT 31ST DECEMBER, 1996 and Enter

Move cell pointer to E6

Type ^The Group (^ - Caret) then Enter

NOTE: Caret stands for center – alignment.

Move cell pointer to I6, Type ^The company then Enter key.

Move cell pointer to D7

Type "1996 ("double – quote is for Right - alignment)

Press enter key

Move cell pointer to F7 Type "1995 then enter key

Move cell pointer H7 Type "1996 then press Enter key

Move cell pointer J7 Type "1995 then press Enter key

Move cell pointer to A9 Type Group B them press Enter key

Move cell pointer to A10 Type 'ASSETS press Enter

NOTE: ('apostrophe stands for left alignment) press enter key

Move cell pointer to C9 Type ^Notes

Press Enter key

Move cell pointer to D9 Type "₦'000 then Enter

Move cell pointer to F9 Type "₦'000 then Enter key

Move cell pointer to H9 Type "₦'000 then Enter

Move cell pointer to J9 Type "₦'000 then Enter

NOTE: Press G to get global or move the cell pointer to global and Enter.

Change the range of cell A11 to 21 and B11 to 6, C11, E11, G11, to 2, D11, F11, H11, J11 to 7 by

(1) Highlighting with the cell pointer the range and

(2) Type in the desired figured then press enter for each

Move cell pointer to C11 type ^1 then Enter key

To get this press, front slash (/), worksheet (W) Global (G) then Enter

Move cell pointer to D11 type in the figure

Then enter

Move cell pointer to F11 Type in the figure then Enter key

Move cell pointer to H11 Type in the figure then Enter key

Move cell pointer to J11 Type in the figure then Enter key

Move cell pointer to A12 Type 'Bills discounted

NOTE: (left alignment is a default) then press Enter key

Move cell pointer to C12 Type ^2 then Enter

Move cell pointer to D12, F12, H12, and J12

Type in the figures respectively Enter for each of them

Move cell pointer to A13 Type 'Investments

Then Enter

Move cell pointer to C13, D13, F13, H13, J13 then type in the figures respectively then enter for each of them

Move cell pointer to A14 Type 'Loans and advances

Then Enter

Move cell pointer to C14, D14, F14, H14, and J14 Enter the respective figures into their corresponding cells press enter key after entering each of them.

Move cell pointer to A15 Type 'other assets press Enter key`

Move cell pointer to C15, D15, F15, H15, J15 type in the respective figures into their corresponding cells press Enter key after entering each.

Move cell pointer to A16 type 'Equipment on lease

Then Enter

Move cell pointer to C16, D16, F16, H16, J16 Enter the respective figures into their corresponding cells press enter key after entering each.

Move cell pointer to A17 type 'Fixed Assets then Enter

Move cell pointer to C17, D17, F17, H17, J17 Enter the respective figures into their corresponding cells then Enter for each.

Move cell pointer to D18 and type \- (back slash and Hyphen; there should be no space between them)

Then anchor '.' And highlight from D18 to J18 then enter

Move cell pointer to A19 type 'TOTAL ASSETS press enter

* These next cells are for Total Assets D19 - J19

The steps must be as follow for the summation

(i) Move the cell pointer to where the result is to appear e.g. TOTAL ASSETS D19.

(ii) Type @sum (

(iii) Move the cell pointer to the first item in the list e.g. 33, 915, 349.

(iv) Type '.' To highlight a range (it means to anchor).

(v) Move the cell pointer to the last item in the list 4, 251, 879 through the second. Watch how the cell pointer covers all the range.

(vi) Close the bracket opened in (ii). The formula should look like this:- @Sum (cell 1 .. cell 2) i.e. the first figure to the last figure.

(vii) Press enter.

After getting the summation for D19

Move the cell pointer using the right arrow key to F19

Press Enter for the total

Move the cell pointer to H19

Press enter

Move cell pointer to J19

Press enter

Move cell pointer to D20 press \= (back slash with equal sign) Then Anchor '.'

Move cell pointer from D20 to highlight to J20 Then Enter.

Move cell pointer to A21 Type GROUP C Then Enter

Move cell pointer to B22 TYPE 'LIABILITIES press enter

Move cell pointer to A23 type 'Deposits and currents Accounts press Enter

Move cell pointer to C23, D23, F23, H23, and J23 Then Enter

The respective figures into their corresponding cells and enter after entering each into the cells

Move cell pointer to A24 type 'Taxation Enter key

Move the cell pointer to C24 D24, F24, H24, J24 Enter the respective figures into their correspond cells and enter after entering each.

Move cell pointer to A25 type 'Other liabilities Enter.

Move cell pointer to C25, D25, F25, H25, J25 then enter the respective figures into their corresponding cells and enter after entering each.

Move cell pointer to D26 Type \-

Anchor '.' And highlight to J26 Enter

Move cell pointer to cell D27

Check the Asterisk (*) above for summation

Sum each column, D27, F27, H17, J27

Move cell pointer to D28 Type \- then Anchor '.' And highlight to J28 then enter.

Move cell pointer to A29 Type GROUP D Enter

Move cell point to A30 Type 'CAPITAL AND RESERVES then press Enter

Move cell pointer to A31 Type 'Called-up share capital press Enter key

Move cell pointer to C31, D31, F31, H31, J31 Enter respective figures into their corresponding cells, press enter key after entering each of them.

Move cell pointer to A32 type 'Statutory reserves press enter key

Move cell pointer to C32, D32, F32, H32, J32 type the respective figures into their corresponding cells, press enter key after entering each.

Move cell pointer to A33 type 'Exchange difference reserve press enter key

Move cell pointer to C33, D33, F33, H33, J33 type the respective figures into their corresponding cells press enter key after entering each

Move cell pointer to A34 type 'General reserve press enter key

Move cell pointer to C34, D34, F34, H34, J34 type in the respective figures into their corresponding cells press enter key after entering each

Move cell pointer to A35 type 'Bonus Issue reserve then enter

Move cell pointer to C35, D35, F35, H35, J35 type the respective figures into their corresponding cells press enter key after entering each of them

Move cell pointer to D36 type \- Anchor '.' And Highlight to J36 then enter.

Move cell pointer to A37 type 'core capital, Enter

Move cell pointer to D37

Then follow the steps in Asterisk (*) to get the summation.

Move cell pointer to A39 type 'fixed assets revaluation reserve then enter.

Move cell pointer to C39, D39, F39, H39, J39 type respective figures into their corresponding cells press enter key after entering each of the figures.

Move cell pointer to D40 type \- then Anchor '.' Then highlight to J40 press enter key

Move cell pointer to A41 type 'capital and reserves press enter key

Move cell pointer to D41 type

@Sum (D37. . D39)

Press Enter key

Move cell pointer to F41 then Anchor '.' Highlight to J41 the Enter.

Move cell pointer to A42 type 'Minority Interest press Enter

Move cell pointer to D42, F42, H42, J42 type respective figure into their corresponding cells press enter key after entering each figures (cell).

Move cell pointer to D43 type \- then Anchor '.'

Then highlight to J43 then enter

Move cell pointer to D44

Type @Sum (D41. . D43)

Press Enter

Move cell pointer to F44 anchor '.' Then highlight to J44 then enter

Move cell pointer to D45 type \- Anchor '.' Then highlight to J45 then enter.

Move cell pointer to D46

Type @Sum (D25 + D44)

Press Enter

Move cell pointer to F46 Anchor '.' Then highlight to J46 then Enter.

Move cell pointer to D47 Type \= (back slash and equal sign) then Anchor '.' Highlight to J47 then enter.

Move cell pointer to A48 Type 'Contingent liabilities and other obligations on behalf of customers and customers' liability therefor press Enter.

Move cell pointer to C48, D48, H48, J48 Type respective figure into their corresponding cells press enter key after entering each of the figures.

Move cell pointer to D49 Type \= then anchor '.' Then highlight to J49 then enter.

Move cell pointer to cell A51 type 'Mahmoud I. Atta press Enter.

Move cell pointer to cell A53 Type ') chairman then enter

Move cell pointer to cell A55 type 'Joseph Oladele Sanusi press Enter key

Move cell pointer to cell A57 Type ') Managing Director and Chief Executive.

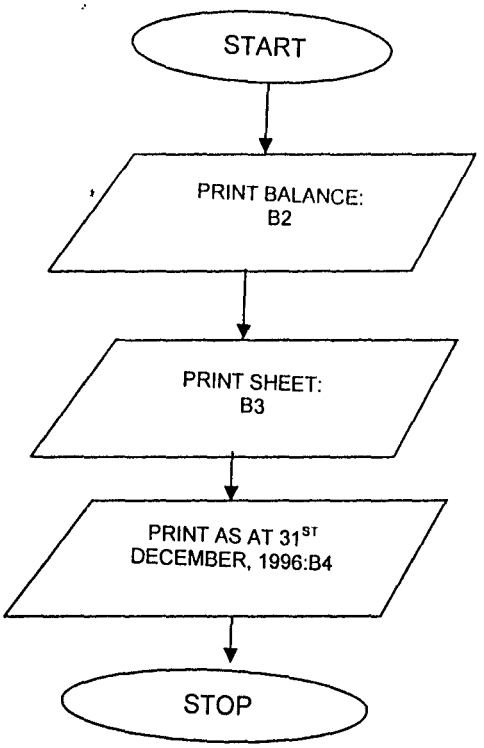
Press Enter

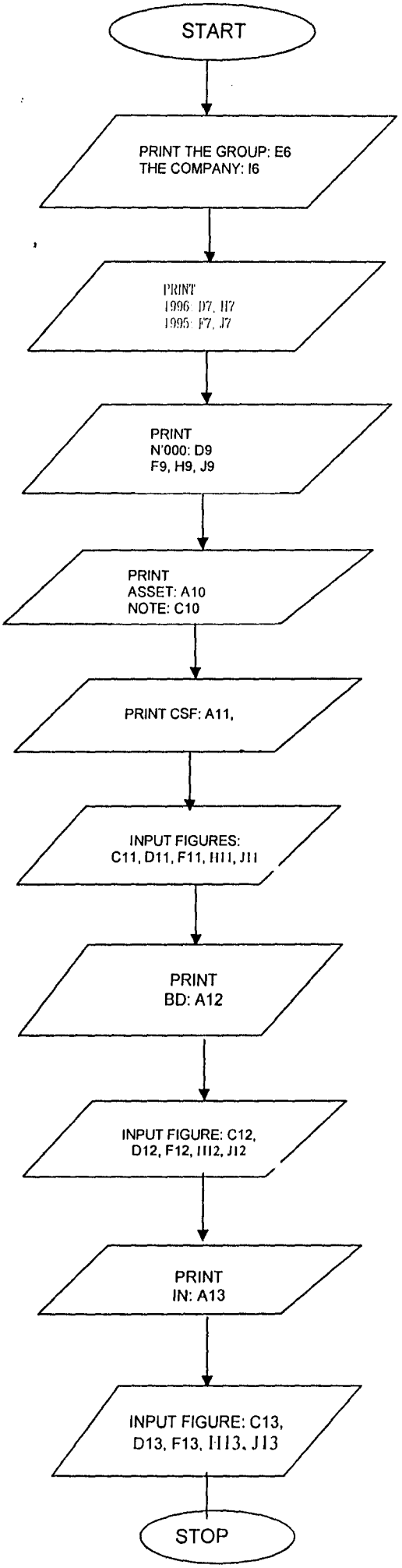
Move cell pointer to A59 Type 'Christopher F. Awosika Press Enter.

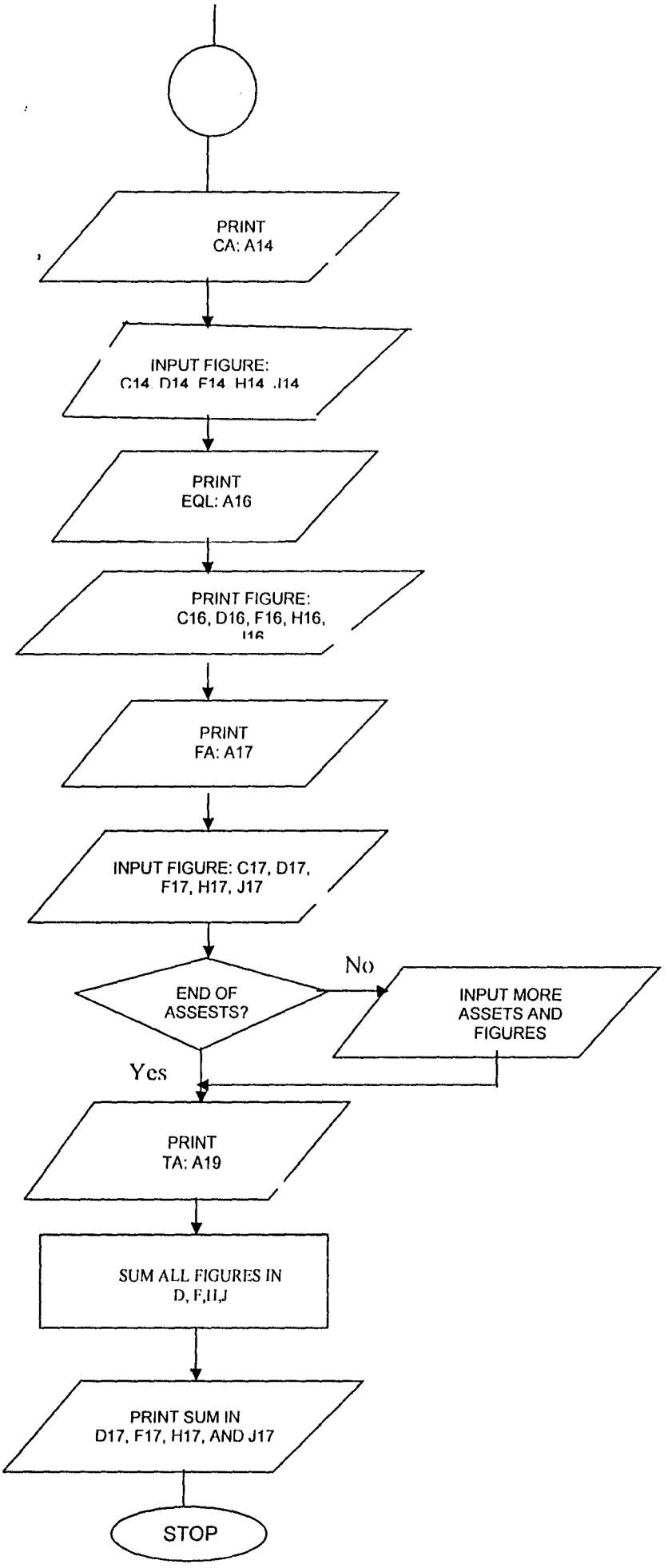
Move cell pointer to A61 Type ') Executive Director press Enter

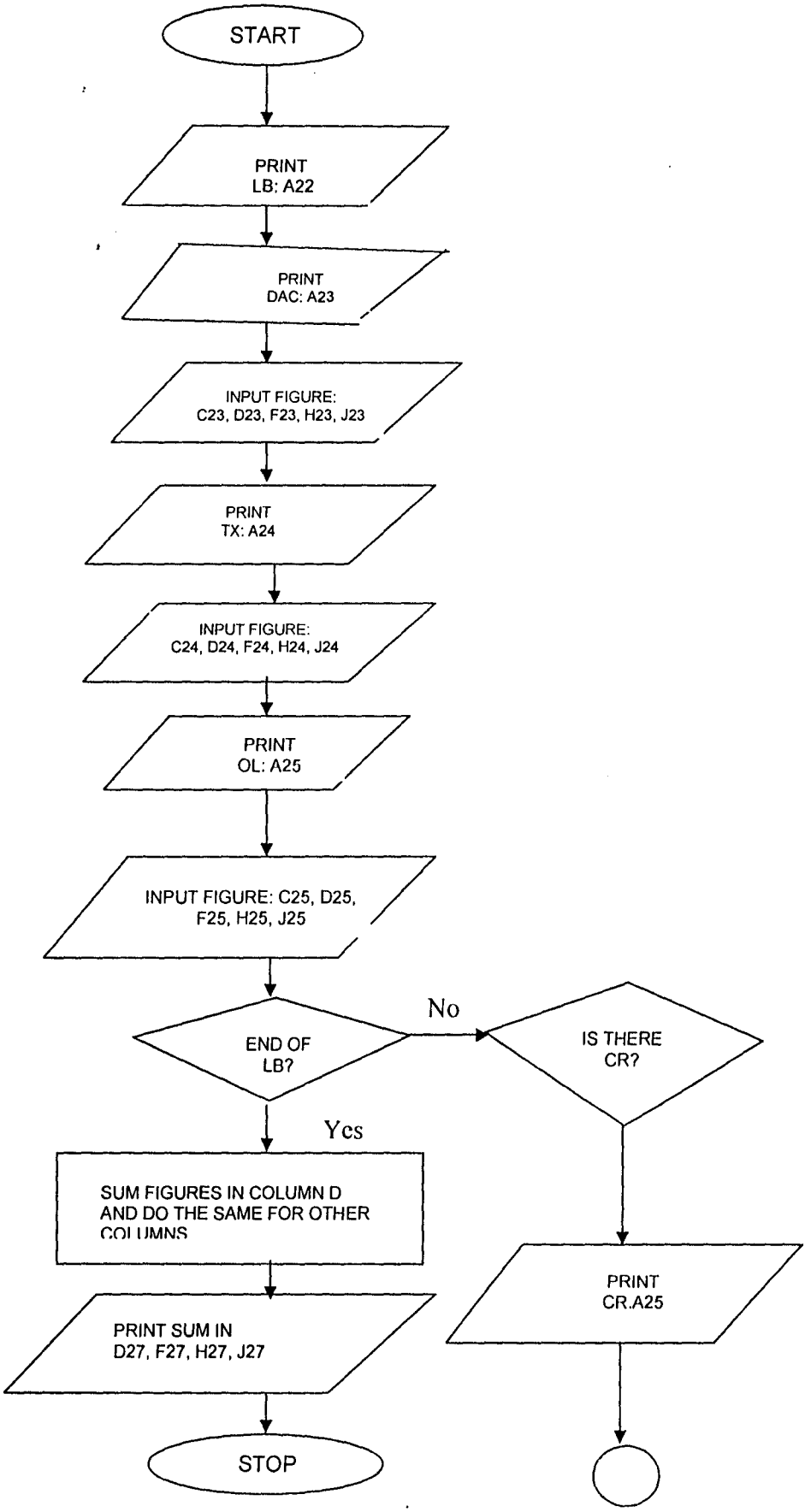
Move cell pointer to cell A63 type First Bank Annual Report 1996.

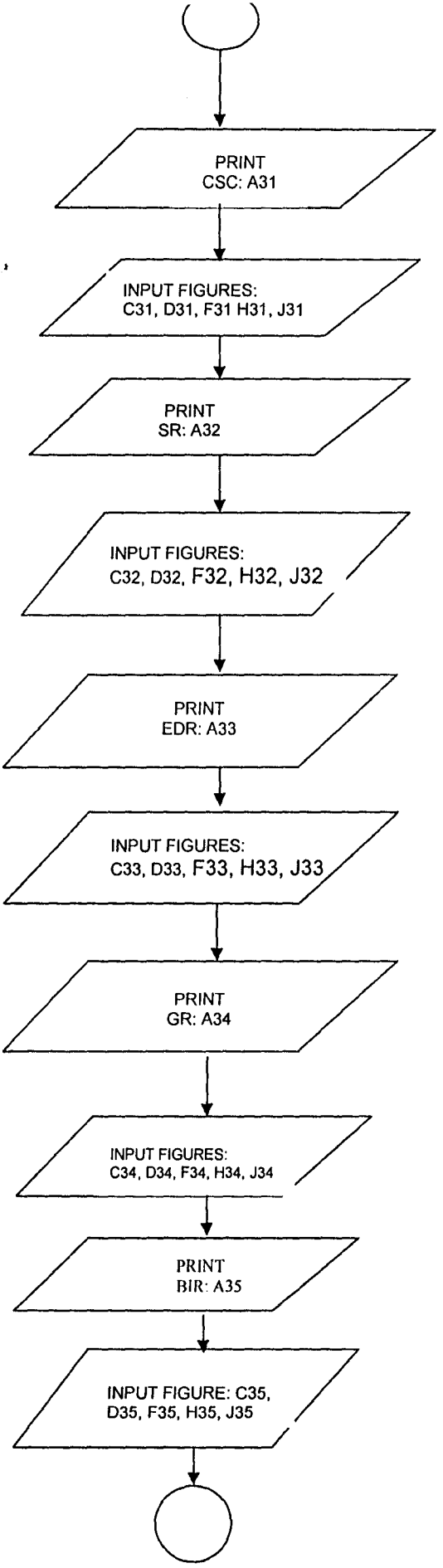
Press Enter

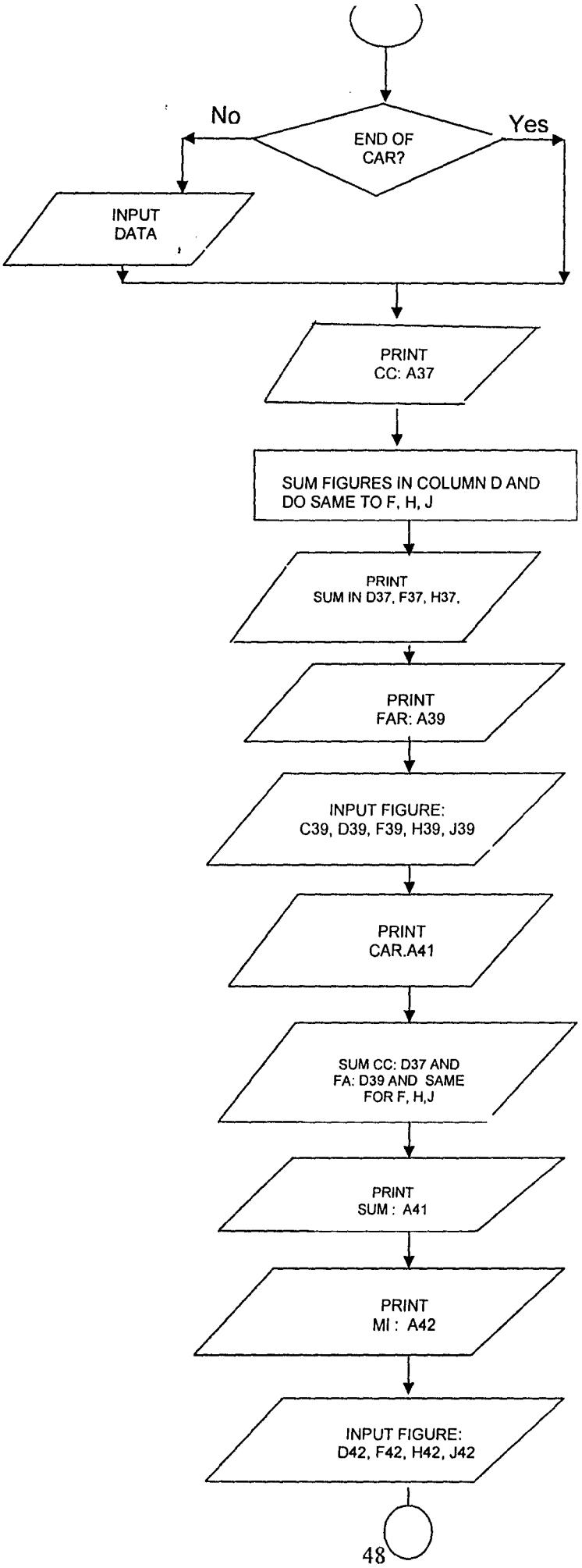

START
PRINT BALANCE:
B2
PRINT SHEET:
B3
PRINT AS AT 31ST
DECEMBER, 1996:B4
STOP

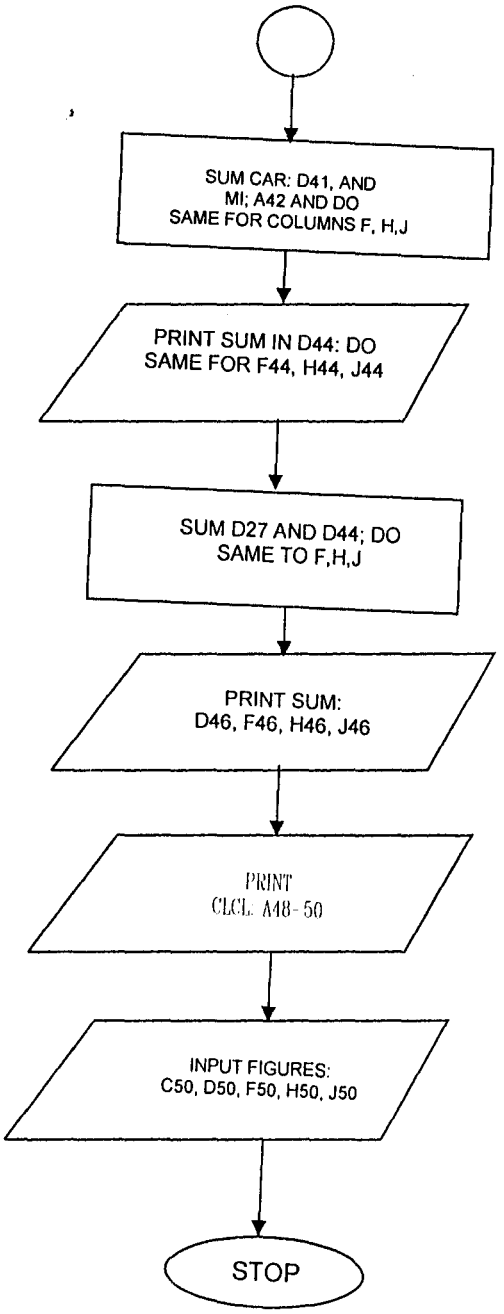

START
PRINT THE GROUP: E6
THE COMPANY: I6
PRINT
1996: D7, H7
1995: F7, J7
PRINT
N'000: D9
F9, H9, J9
PRINT
ASSET: A10
NOTE: C10
PRINT CSF: A11,
INPUT FIGURES:
C11, D11, F11, H11, J11
PRINT
BD: A12
INPUT FIGURE: C12,
D12, F12, H12, J12
PRINT
IN: A13
INPUT FIGURE: C13,
D13, F13, H13, J13
STOP


PRINT
CA: A14
INPUT FIGURE:
C14, D14, F14, H14, J14
PRINT
EQL: A16
PRINT FIGURE:
C16, D16, F16, H16,
J16
PRINT
FA: A17
INPUT FIGURE: C17, D17,
F17, H17, J17
END OF
ASSESTS?
No
INPUT MORE
ASSETS AND
FIGURES
Yes
PRINT
TA: A19
SUM ALL FIGURES IN
D, F,H,J
PRINT SUM IN
D17, F17, H17, AND J17
STOP


START
PRINT
LB: A22
PRINT
DAC: A23
INPUT FIGURE:
C23, D23, F23, H23, J23
PRINT
TX: A24
INPUT FIGURE:
C24, D24, F24, H24, J24
PRINT
OL: A25
INPUT FIGURE: C25, D25,
F25, H25, J25
END OF
LB?
No
IS THERE
CR?
Yes
SUM FIGURES IN COLUMN D
AND DO THE SAME FOR OTHER
COLUMNS
PRINT SUM IN
D27, F27, H27, J27
STOP
PRINT
CR.A25


PRINT
CSC: A31
INPUT FIGURES:
C31, D31, F31 H31, J31
PRINT
SR: A32
INPUT FIGURES:
C32, D32, F32, H32, J32
PRINT
EDR: A33
INPUT FIGURES:
C33, D33, F33, H33, J33
PRINT
GR: A34
INPUT FIGURES:
C34, D34, F34, H34, J34
PRINT
BIR: A35
INPUT FIGURE: C35,
D35, F35, H35, J35


No
END OF CAR?
Yes
INPUT DATA
PRINT CC: A37
SUM FIGURES IN COLUMN D AND DO SAME TO F, H, J
PRINT SUM IN D37, F37, H37,
PRINT FAR: A39
INPUT FIGURE: C39, D39, F39, H39, J39
PRINT CAR.A41
SUM CC: D37 AND FA: D39 AND SAME FOR F, H,J
PRINT SUM : A41
PRINT MI : A42
INPUT FIGURE: D42, F42, H42, J42


SUM CAR: D41, AND
MI; A42 AND DO
SAME FOR COLUMNS F, H,J
PRINT SUM IN D44: DO
SAME FOR F44, H44, J44
SUM D27 AND D44; DO
SAME TO F,H,J
PRINT SUM:
D46, F46, H46, J46
PRINT
CLCL A48-50
INPUT FIGURES:
C50, D50, F50, H50, J50
STOP

CODE	MEANING
CSF	CASH AND SHORT TERM FUNDS
BD	BILLS DISCOUNTED
IN	INVESTMENTS
LA	LOANS AND ADVANCES
OA	OTHER ASSETS
EOL	EQUIPMENT ON LEASE
FA	FIXED ASSETS
TA	TOTAL ASSETS
LB	LIABILITIES
DAC	DEPOSITS AND CURRENT ACCOUT
TX	TAXATION
OL	OTHER LIABILITIES
CR	CAPITAL AND RESERVE
CSC	CALLED UP SHARE CAPITAL
SR	STATUTORY RESERVE
EDR	EXCHANGE DIFFERENCE RESERVE
GR	GENERAL RESERVE
BIR	BONUS ISSUE RESERVE
CC	CORE CAPITAL
FAR	FIXED ASSETS EVALUATION RESERVE
MI	MINORITY INTEREST
CLCL	CONTINGENT LIABILITIES AND OTHER OBLIGATIONS ON BEHALF OF CUSTOMERS AND CUSTOMERS LIABILITIES THEREOF

OUTPUT GROUP A

Balance Sheet
AS AT 31ST DECEMBER, 1996

OUP B		THE GROUP		THE COMPANY	
SETS	NOTE	N'000	N'000	N'000	N'000
sh & short-term funds	1	33,915,347	31,558,388	32,989,523	29,920,537
s discounted	2	16,126,854	9,338,116	14,058,523	8,251,260
estments	3	175,799	151,051	177,699	152,951
ans and advances	4	17,107,831	12,666,432	16,144,259	11,741,451
er assets	5	5,121,630	6,135,579	5,058'770	6,084,585
uipment on lease	6	569, 972	344,701	323,996	150,838
ed assets	7	4,251,879	3,678,181	4,066,024	3,519,333
TAL ASSETS		77,269,312	63,872,448	72,818,807	59,820,955
OUP C					
BILITIES					
posit and current accounts	8	58,213,912	43,464,097	55,497,623	1,641,080
xation	9	356,206	341,924	308,565	275,234
ner liabilities	10	11,681,345	13,802,193	10,618,728	12,129,665
		70,251,463	57,608,214	66,424,916	54,045,979
OUP D					
PITAL AND RESERVES					
lled-up share capital	11	336,247	215,198	336,247	215,198
tutory reserve	12	758,655	590,702	632,799	483,269
change difference reserve	13	1,699,416	1,700,770	1,699,416	1,700,770
neral reserve	14	1,500,983	1,119,157	1,262,065	942,637
nus issue reserve	15	84,062	53,800	84,062	53,800
Core Capital		4,379,363	3,679,627	4,014,589	3,395,674
ed assets revaluation reserve	16	2,379,302	2,379,302	2,379,302	2,379,302
pital interest		6,758,665	6,058,929	6,393,891	5.774,976
ority interest		259,184	205,305	-	-
		7,017,849	6,264,234	6,393,891	5,774,976
		77,269,312	63,872,448	72,818,807	59,820,955
tingent liabilities and other gations on behalf of omers and customers' ities therefor	26	6,685,058	2,349,600	5,598,432	1,482,377

hamoud I Atta)Chairman

seph Oladele Sanusi)Managing Director and Chief Executive

ristopher F. Awosika)Executive Director

st bank Annual Report 1996

CHAPTER FIVE

5.0 SUMMARY, CONCLUSION AND RECOMMENDATION

5.1 *SUMMARY*

This research work has been carried out in order to view nature of corporate Balance sheet and it has been established that Simon Stevin of Bruges invented this in the sixteenth century. The procedure for generating the memorandum under study has been examined one after the other, and the two basic ways of presenting corporate Balance sheet has been examined in details.

Balance sheet is drawn up in order to give a picture of the financial position of the business to investors and to act as incentives to the organization. This work also has not failed to narrate the manual method adopted in the accounting sector in the time past and to some extent in the present age.

Moreover, some basic facilities on computer (that make it more advantageous to go computerized) have been dealt with. There are some basic objectives why one should think of laying aside manual operation of preparing balance sheet and make use of computer instead. Basically some of these objectives have been looked into in this write up which could be timeliness, less human intervention, easy correction, speed and accuracy etc.

Sure, one cannot rule out the fact that some problems will be encountered in an attempt to make use of computer in an organization; some of these could be cost and the workload. Carrying out the system analysis and design makes the work to be easier and feasible. System analysis and design actually covers two main areas or work; system analysis is concerned with the investigation of the present position, fact finding, and recording the information found in such a way that a clear and precise picture is built up of what is going on from this process, information is derived to help in the development of the new computer systems. While systems design is concerned with, working out how the required objectives of the systems can

be achieved in the most effective way and specifying in detail all the processes involved.

Spreadsheet is an electronic package, although there are other packages under spreadsheet other than Lotus 1-2-3, which are Excel and Quattro Pro. But in this research any mention made about spreadsheet refers to lotus 1-2-3 is a program designed in the form of a spreadsheet, which is made up of rows and columns and the intersection of this row and column make a cell, in which information can be stored. Basic features of Lotus 1-2-3 has been widely examined too. It should be noted that there are basic types of information that can be stored in cells; Numbers, labels and formulas.

Abstract data were not used in this research work; a typical corporate bank balance sheet was used to make the work worthwhile. Since the research work is to examine the use of spreadsheet on a corporate Balance sheet of a typical Bank.

Furthermore, there were some basic observations that were made in this study which has some basic observations that were made in this study has not been ignored. Since Lotus 1-2-3 is a pre-written package the needed command for the typical Balance sheet of First Bank of Nigeria Plc has been written as part of the project work.

5.2 CONCLUSION

A great deal of territory has been covered in this work. Any user should be able to use the knowledge of both the corporate balance sheet and Lotus 1-2-3 to modify and manipulate spreadsheet of any release of Lotus 1-2-3 on the balance sheet of any organization.

Without much stress, a novice can conveniently make use of Lotus 1-2-3 by following the command in the project work and observing the menu. Spreadsheet flexibility, power and simplicity make it to stand out as a suitable package to be used in business world.

In the business world, accounting paper has many columns and rows for this; it is referred to as worksheet or spreadsheet. These spreadsheets are commonly used to gather financial data and accumulate the results. While

electronic spreadsheets are computer programs that are similar to paper spreadsheets in structure and format. The two big differences with electronic spreadsheet and paper spreadsheet are; the columns and rows appear on a computer screen rather than on paper while another difference is that electronic spreadsheet calculations are performed automatically by the computer instead of manually by the user. For these reasons stated above the advantages of using electronic spreadsheet in business world cannot be over-emphasized, though attached to the use of computer are some problems which can be enumerated as follow;

5.2.1 LIMITATION OF COMPUTER

Computer cannot do more than the instructions given to it by the programmer. Data cannot just be inputted in the computer for automatic execution or preparation of the Balance Sheet. Adequate instructions have to be given to the computer accordingly and provision must be made for it to handle any form of error or additional information.

5.2.2 COST

The cost/benefit analysis of employing the computer must be carried out before one can embark on its use. Because the benefit to be derived from employing computer must out weigh the cost, not even marginal benefit will suffice.

Moreover, the cost of acquiring the computer can be high for the organization through the benefit may out weigh the cost

5.2.3 WORK LOAD

Another problem is the very heavy workload during the change-over-period, occasioned by the transfer of manual records to computer files and the probable need to run both manual and computer files and the probable need to run both manual and computer systems for a time in order to check the latter.

5.2.4 *NEED FOR TRAINING*

The organization will need to train its employees or possibly employ new hands – computer literate to carry out the task.

5.2.5 *FACILITIES REQUIRED*

Basic requirements are a computer room, data preparation section, accommodation for file paper storage. Offices for systems analysts and programmers, control room and reception centre, computer manager's office etc. over and above this provision will probably have to be made for air conditioning equipment for at least the computer room and library.

At the inception all these may be money consuming compared to manual operation.

5.2.6 *LIMITATION OF THE COMMAND*

It has been observed that the balance sheet of one organization differs from another organization's balance sheet with respect to the form of items that are included in each balance sheet. Though there are basic headings in corporate balance sheets such as assets, liabilities etc. under which items that are not in the balance sheet of First Bank of Nigeria Plc (FBN) can be inserted. Therefore, any organization can use this command in this project for vertical balance sheet by putting any item of transaction under appropriate heading in the balance sheet.

It is appropriate to state here that this typical balance sheet format cannot be used for any organization verbatim except for first Bank of Nigeria Plc but any other item of any organization can be inserted under appropriate heading in the balance sheet and adequate results would be given.

5.2.7 *LIMITATION OF BOOK THAT ARE CONSIDERED.*

The commands generated through the use of Lotus 1-2-3 is only for the use of the corporate Balance sheet and not for any other proceeding it such as posting into the ledger accounts and the preparation of income statement

since to produce commands for all these will be as voluminous as writing a book for only the command itself (alone).

5.2.8 LIMITATION OF DATA COLLECTION.

Different methods of collecting data have been enumerated in chapter four (4) which includes; interview, Questionnaire and existing records. For this research work only existing records could be utilized due to the fact that there is readily handy information in the existing Annual Reports of First Bank Plc and more so, due to time constraint, the attention of the Bank staff could not be gained.

5.2.9 LIMITATION OF THE VERSION OF LOTUS 1-2-3 USED

Lotus 1-2-3 release 5 is used to run this work, since this is the Release that is readily available for use. There are also other release of Lotus 1-2-3 which are 2.2, 2.3, 2.4, 3, 3.1, 3.1 + or 3.4, 4.0, 5.

The attributes and features of the various Release of Lotus 1-2-3 for Dos differ, so it is needful to state categorically the Release being used because of the end result.

5.3 RECOMMENDATIONS

Based on what has been discussed so far about the use of spreadsheet on corporate Balance sheet the following are recommended.

(1) The method of change over should be adequately considered. The parallel changeover should be adopted since it is less risky though costly. It should be noted that the benefit of the method out weighs the cost.

(2) The vertical format of the corporate balance sheet should be embraced since this is more widely used by corporate bodies. Though both the vertical and the Horizontal format are prescribed by the companies Act and allied matters act 1990 (Amended).

(3) It should be remembered that the world is speedily rolling into jet age and technology is greatly advancing, in the nearest future any Accounting

work done manually will be termed archaic or outdated. And such organizations using manual method will not remain competitive.

Therefore, bearing this in mind it is recommended that all business organization should incorporate computer into their organization. More so spreadsheet should be installed on the same, bearing its simplicity in mind.

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Balance Sheet

AS AT 31ST DECEMBER, 1996

		The Group		The Company	
		1996	1995	1996	1995
ASSETS	Notes	N'000	N'000	N'000	N'000
Cash & short-term funds	1	33,915,347	31,558,388	32,989,523	29,920,537
Bills discounted	2	16,126,854	9,338,116	14,058,536	8,251,260
Investments	3	175,799	151,051	177,699	152,951
Loans and advances	4	17,107,831	12,666,432	16,144,259	11,741,451
Other assets	5	5,121,630	6,135,579	5,058,770	6,084,585
Equipment on lease	6	569,972	344,701	323,996	150,838
Fixed assets	7	4,251,879	3,678,181	4,066,024	3,519,333
TOTAL ASSETS		77,269,312	63,872,448	72,818,807	59,820,955
LIABILITIES					
Deposits and current accounts	8	58,213,912	43,464,097	55,497,623	41,641,080
Taxation	9	356,206	341,924	308,565	275,234
Other liabilities	10	11,681,345	13,802,193	10,618,728	12,129,665
		70,251,463	57,608,214	66,424,916	54,045,979
CAPITAL AND RESERVES					
Called-up share capital	11	336,247	215,198	336,247	215,198
Statutory reserve	12	758,655	590,702	632,799	483,269
Exchange difference reserve	13	1,699,416	1,700,770	1,699,416	1,700,770
General reserve	14	1,500,983	1,119,157	1,262,065	942,637
Bonus issue reserve	15	84,062	53,800	84,062	53,800
Core capital		4,379,363	3,679,627	4,014,589	3,395,674
Fixed assets revaluation reserve	16	2,379,302	2,379,302	2,379,302	2,379,302
Capital and reserves		6,758,665	6,058,929	6,393,891	5,774,976
Minority interest		259,184	205,305	-	-
		7,017,849	6,264,234	6,393,891	5,774,976
		77,269,312	63,872,448	72,818,807	59,820,955
Contingent liabilities and other obligations on behalf of customers and customers' liability therefor	26	6,685,058	2,349,600	5,598,432	1,482,377

Mahmoud I. Atta) Chairman

Joseph Oladele Sanusi) Managing Director and Chief Executive

Christopher F. Awosika) Executive Director

The notes on pages 37 to 56 form part of these accounts.

Notes on the Accounts

FOR THE YEAR ENDED 31ST DECEMBER, 1996

1. CASH AND SHORT-TERM FUNDS

	The Group		The Company	
	1996	1995	1996	1995
	N'000	N'000	N'000	N'000
Cash	1,161,122	764,949	1,161,067	764,904
Balances held with Central Bank of Nigeria:				
Cash reserve requirement	3,124,631	1,677,492	3,124,631	1,585,789
Agricultural loans shortfall	-	182,444	-	182,444
Current account	1,332,803	(103,561)	1,325,237	(139,950)
Stabilisation securities	5,425,774	6,501,306	5,338,818	5,994,050
	9,883,208	8,257,681	9,788,686	7,622,333
Balances with other banks:				
In Nigeria	1,654,860	2,550,195	1,524,078	2,673,924
Outside Nigeria	21,352,631	20,147,368	20,587,692	18,938,226
	23,007,491	22,697,563	22,111,770	21,612,150
	34,051,821	31,720,193	33,061,523	29,999,387
Provision for doubtful accounts (Note 21)	(136,474)	(161,805)	(72,000)	(78,850)
	33,915,347	31,558,388	32,989,523	29,920,537

2. BILLS DISCOUNTED

Nigerian Government:				
Treasury bills	11,485,281	3,446,478	10,012,781	3,045,927
Treasury certificates	-	31,800	-	31,800
Bankers' acceptances	251,088	96,000	-	-
	11,736,369	3,574,278	10,012,781	3,077,727
Trade bills	4,465,015	5,844,498	4,086,622	5,225,791
	16,201,384	9,418,776	14,099,403	8,303,518
Less: Provision for bad & doubtful accounts	(74,530)	(80,660)	(40,867)	(52,258)
	16,126,854	9,338,116	14,058,536	8,251,260

Notes on the Accounts cont'd

.2 The Company

(a) Summary	Land and buildings N'000	Vehicles, equipment & others N'000	Total N'000
Cost/valuation:			
At 1st January,	3,038,738	1,191,567	4,230,305
Additions	206,540	719,756	926,296
Disposals	-	(21,390)	(21,390)
At 31st December,	3,245,278	1,889,933	5,135,211
Depreciation:			
At 1st January,	179,240	531,732	710,972
Charge for the year	79,229	300,147	379,376
On disposals	-	(21,161)	(21,161)
At 31st December,	258,469	810,718	1,069,187
Net book value:			
At 31st December,1996	2,986,809	1,079,215	4,066,024
At 31st December,1995	2,859,498	659,835	3,519,333

(b) Land and buildings comprise:	Cost/ valuation N'000	Depre- ciation N'000	Net book value N'000
Freehold	619,777	49,185	570,592
Leasehold of 50 years or more	1,772,437	99,400	1,673,037
Leasehold of 50 years or more under construction	226,535	-	226,535
Leasehold of less than 50 years	626,529	109,884	516,645
	3,245,278	258,469	2,986,809

.3 Certain land and buildings with a net book value of N187.7 million were professionally valued at N1,183.7 million at 31st December,1990.

During the year ended 31st December,1995, certain selected land and buildings (own premises only) including those revalued at 31st December,1990, were professionally re-valued at N5,056.4 million. In compliance with the Central Bank of Nigeria's guidelines on recognition of revaluation reserve on own premises, the sum of N1,931.150 million was incorporated in 1995 accounts. This represents the revaluation surplus of N4,291.4 million discounted by 55%.

Notes on the Accounts cont'd

3.	INVESTMENTS	The Group		The Company	
		1996	1995	1996	1995
.1	Dated securities	N'000	N'000	N'000	N'000
(a)	Industrial Securities (Quoted):				
	Maturing within 1 year market value - N1,000,000 (1995 - N8,630,560)	1,000	10,392	1,000	10,392
	Maturing between 1 and 5 years market value- N38,586,400 (1995 - N25,779,900)	38,586	26,311	38,586	26,311
	Maturing after 5 years market value - N4,897,000 (1995 - N16,946,500)	9,897	24,897	4,897	19,897
		49,483	61,600	44,483	56,600
(b)	Industrial Securities (unquoted)				
	Nig. Newsprint Mfg. Co. Ltd.	2,000	2,000	2,000	2,000
	ICON Ltd. Merchant Bankers	250	250	250	250
	Less: Provision	(2,250)	(2,250)	(2,250)	(2,250)
		49,483	61,600	44,483	56,600
.2	Undated Securities				
(a)	(Quoted):				
	Equities	4,981	4,981	4,981	4,981
	Less: Provision	(4,981)	(4,981)	(4,981)	(4,981)
		-	-	-	-
(b)	(Unquoted):				
	Banque Internationale Du Benin, Cotonou	40,343	3,478	40,343	3,478
	African Export-Import Bank, Cairo	9,967	9,967	9,967	9,967
		50,310	13,445	50,310	13,445
.3	Associated:				
	(Unquoted equities):				
	Kakawa Discount House Ltd	74,000	74,000	56,900	56,900
.4	Subsidiaries				
	(Unquoted equities):				
	FBN (Merchant Bankers) Limited (Note 3.8)	-	-	24,000	24,000
	First Trustees Nig. Ltd.	2,000	2,000	2,000	2,000
	First Dependants Nig Ltd	3	3	3	3
	First Nominees Nig. Ltd.	3	3	3	3
		2,006	2,006	26,006	26,006
		175,799	151,051	177,699	152,951

.5 The Investee Companies of the Industrial Securities (Quoted) are as follows:

Industrial Securities	1996	
	The Group N'000	The Company N'000
QUOTED		
Maturing within one year		
12% CFAO Redeemable Debenture Stock 1991/1996	1,000	1,000
Maturing Between 1 and 5 Years		
19% Savannah Bank Floating Rate Loan Stock 1994/1998	1,450	1,450
19% PZ Industries Floating Rate Debenture Stock 1999/2001	5,000	5,000
10% Guiness Nig. Plc. Debenture Stock 1996/2001	10,000	10,000
WAPCO Plc. Floating Rate Debenture Stock 1994/1998	3,000	3,000
20% CMB Nig. Plc. Debenture Stock 1997/2001	19,136	19,136
	38,586	38,586
Maturing After 5 Years		
19% PZ Industries Debenture Stock 1997/2004	4,897	4,897
7.5% AG Leventis Floating Rate Redeemable Debenture Stock	5,000	-
	9,897	4,897
	49,483	44,483

Notes on the Accounts cont'd

.6 Investments in dated securities comprise quoted and unquoted equities and debenture stocks which are stated at cost. In accordance with the Bank's policy to hold such investments until the date of maturity, no provision has been made in these financial statements to cover shortfall between the market value and cost at the balance sheet date. At 31st December,1996 there was no shortfall; (1995 - N5,243,000).

.7 In the opinion of the directors, the market value of the unquoted investments is not lower than cost.

.8 The Bank's major subsidiary company, FBN (Merchant Bankers) Limited commenced business on 1st August, 1990. First Bank of Nigeria Plc holds 60% of its paid up capital.

.9 FBN (Merchant Bankers) Limited has a wholly owned subsidiary, Premium Securities Limited, with a paid up capital of N10,000,000 (1995 - N5,000,000). The accounts of Premium Securities Limited are consolidated with those of its holding company.

.10 The accounts of the other three subsidiaries namely, First Trustees Nigeria Ltd., First Dependants Nigeria Limited and First Nominees Nigeria Limited which are wholly-owned are not consolidated with those of the parent company as the directors consider the amounts involved to be insignificant.

4. LOANS & ADVANCES	The Group		The Company	
	1996	1995	1996	1995
.1 Summary:	N'000	N'000	N'000	N'000
Secured against real estate	3,750,196	3,615,849	3,631,617	3,545,387
Otherwise secured	16,973,214	11,962,663	16,116,060	11,090,771
Unsecured	2,173,140	2,049,719	2,165,653	2,041,343
	22,896,550	17,628,231	21,913,330	16,677,501
Assets realisation & recoveries in suspense	(4,296)	(2,505)	(4,296)	(2,505)
	22,892,254	17,625,726	21,909,034	16,674,996
Deduct: Provision for doubtful debts (Note 4.3)	(5,784,423)	(4,959,294)	(5,764,775)	(4,933,545)
	17,107,831	12,666,432	16,144,259	11,741,451

4.2 Analysis of loans and advances and provisions thereon

2.1 The Group

	1996		1995		
	Amount	Provision required	Amount	Provision required	Rate of provision
	N'000	N'000	N'000	N'000	%
Gross loans	22,896,550	5,784,423	17,628,231	4,959,294	
Performing	16,988,942	169,889	12,751,841	127,361	1
Non-performing:					
- Sub-standard	7,104	710	9,435	943	10
- Doubtful	573,360	286,680	71,931	35,966	50
- Lost	5,327,144	5,327,144	4,795,024	4,795,024	100
	5,907,608	5,614,534	4,876,390	4,831,933	
	22,896,550	5,784,423	17,628,231	4,959,294	

Summary of charge in the accounts:		
Shortfall on provision as at 31st December,	480,668	296,792
Add: Movement in general provision	42,528	65,311
	523,196	362,103
Less: Recoveries	(385,948)	(273,764)
	137,248	88,339

4.2.2 Analysis of loans and advances and provisions thereon

The Company	1996		1995		
	Amount	Provision required	Amount	Provision required	Rate of provision
	N'000	N'000	N'000	N'000	%
Gross loans	21,913,330	5,764,775	16,677,501	4,933,545	
Performing	16,019,620	160,196	11,817,676	118,177	1
Non-performing:					
- Substandard	7,104	710	9,435	943	10
- Doubtful	565,474	282,737	71,931	35,966	50
- Lost	5,321,132	5,321,132	4,778,459	4,778,459	100
	5,893,710	5,604,579	4,859,825	4,815,368	
	21,913,330	5,764,775	16,677,501	4,933,545	

Summary of charge in the accounts:		
Shortfall on provision as at 31st December,	479,258	287,914
Add: Movement in general provision at 1% of performing balances	42,019	58,379
	521,277	346,293
Less: Recoveries	(381,290)	(266,924)
	139,987	79,369

4.3 Provision for doubtful debts	The Group		The Company	
	1996 N'000	1995 N'000	1996 N'000	1995 N'000
Principal:				
At 1st January	1,915,863	1,650,901	1,890,114	1,634,122
Exchange difference on opening balance	6,055	185,443	6,055	185,443
Written off in the year	(4,858)	(8,820)	(4,858)	(8,820)
Provision no longer required	(11,107)	-	(7,745)	-
	1,905,953	1,827,524	1,883,566	1,810,745
Provided during the year	523,196	362,103	521,277	346,293
Recovered during the year	(385,948)	(273,764)	(381,290)	(266,924)
Charge for the year (Note 21)	137,248	88,339	139,987	79,369
	2,043,201	1,915,863	2,023,553	1,890,114
Interest:				
At 1st January,	3,043,431	2,353,035	3,043,431	2,353,034
Additions during the year	810,758	802,266	810,758	802,267
Written back on recoveries	(112,967)	(111,870)	(112,967)	(111,870)
At 31st December,	3,741,222	3,043,431	3,741,222	3,043,431
Total at 31st December,	5,784,423	4,959,294	5,764,775	4,933,545
4.4 Loans and advances are analysed to maturity as follows:				
On call	8,085,318	5,917,186	8,085,318	5,573,786
Over 1 month and within 3 months	2,664,380	2,443,366	1,925,841	2,019,086
Over 3 months but within 6 months	2,696,568	1,384,935	2,606,466	1,384,935
Over 6 months but within 12 months	2,027,883	2,898,472	1,936,509	2,898,472
Over 1 year but within 3 years	2,158,833	2,051,258	2,095,628	1,953,208
Over 3 years but within 5 years	3,856,835	1,175,107	3,856,835	1,090,107
Over 5 years	1,406,733	1,757,907	1,406,733	1,757,907
	22,896,550	17,628,231	21,913,330	16,677,501

Notes on the Accounts cont'd

		The Group		The Company	
4.5	The charge for bad and doubtful debts is made up of:	1996 N'000	1995 N'000	1996 N'000	1995 N'000
	Specific provision	94,720	23,028	97,968	20,990
	General provision	42,528	65,311	42,019	58,379
		137,248	88,339	139,987	79,369
5.	OTHER ASSETS				
	Other debit balances and payments in advance (Note 5.1)	4,929,758	6,063,619	4,879,134	6,009,360
	Accrued income	416,386	429,510	379,941	388,506
		5,346,144	6,493,129	5,259,075	6,397,866
	Less: Other provisions	(224,514)	(357,550)	(200,305)	(313,281)
		5,121,630	6,135,579	5,058,770	6,084,585
.1	Other debit balances and payments in advance comprise:				
	Bills payable	3,490,507	3,468,454	3,490,507	3,468,454
	Bulk stationery and fixed assets	260,563	152,107	260,563	152,107
	Impersonal accounts	1,178,688	2,443,058	1,128,064	2,388,799
		4,929,758	6,063,619	4,879,134	6,009,360
6.	EQUIPMENT ON LEASE				
	Cost:				
	At 1st January,	436,046	117,969	197,972	36,814
	Additions	547,683	356,732	375,194	161,158
	Disposals	(31,836)	(38,655)	(31,836)	-
	At 31st December,	951,893	436,046	541,330	197,972
	Depreciation:				
	At 1st January,	91,345	48,407	47,134	2,334
	Charge for the year	316,521	81,593	196,145	44,800
	On disposals	(25,945)	(38,655)	(25,945)	-
	At 31st December,	381,921	91,345	217,334	47,134
	Net book value:				
	At 31st December,	569,972	344,701	323,996	150,838

7. FIXED ASSETS

.1 The Group	Land and buildings N'000	Vehicles, equipment & others N'000	Total N'000
(a) Summary:			
Cost/valuation:			
At 1st January,	3,164,327	1,264,043	4,428,370
Additions	229,888	748,801	978,689
Disposals	-	(23,250)	(23,250)
At 31st December,	3,394,215	1,989,594	5,383,809
Depreciation:			
At 1st January,	186,772	563,417	750,189
Charge for the year	84,960	319,182	404,142
On disposals	-	(22,401)	(22,401)
At 31st December,	271,732	860,198	1,131,930
Net book value:			
At 31st December,1996	3,122,483	1,129,396	4,251,879
At 31st December,1995	2,977,555	700,626	3,678,181

(b) Land and buildings comprise:	Cost/ valuation N'000	Depre- ciation N'000	Net book value N'000
Freehold	619,777	49,185	570,592
Leasehold of 50 years or more	1,917,153	111,146	1,806,007
Leasehold of 50 years or more under construction	226,735	-	226,735
Leasehold of less than 50 years	630,550	111,401	519,149
	3,394,215	271,732	3,122,483

8. DEPOSITS AND CURRENT ACCOUNTS	The Group		The Company	
	1996 N'000	1995 N'000	1996 N'000	1995 N'000
.1 **Summary**				
In Nigeria:				
Demand	16,601,669	12,755,852	16,527,759	12,330,365
Savings	17,292,060	12,718,488	17,292,060	12,718,488
Time	10,409,505	4,777,524	7,767,126	3,434,217
	44,303,234	30,251,864	41,586,945	28,483,070
Outside Nigeria:				
Demand	519,798,	441,190	519,798	441,190
Time	12,460,083	11,477,012	12,460,083	11,477,012
	57,283,115	42,170,066	54,566,826	40,401,272
Due to other banks:				
In Nigeria	-	55,327	-	1,104
Outside Nigeria	869,564	1,100,919	869,564	1,100,919
	58,152,679	43,326,312	55,436,390	41,503,295
Foreign transfers payable	61,233	137,785	61,233	137,785
	58,213,912	43,464,097	55,497,623	41,641,080
.2 **The deposit liabilities maturity profile is as follows:**				
On demand	35,013,360	36,508,367	34,436,058	35,823,894
Under 3 months	20,237,670	5,958,393	18,189,224	4,960,074
3 - 6 months	2,347,434	540,701	2,285,310	423,905
6 - 12 months	607,544	443,569	583,796	424,540
Over 12 months	7,904	13,067	3,235	8,667
	58,213,912	43,464,097	55,497,623	41,641,080

9. TAXATION

	The Group		The Company	
	1996	1995	1996	1995
.1 Per profit and loss account	N'000	N'000	N'000	N'000
Income tax:				
Based on profit of the year	169,412	267,636	132,162	219,663
In respect of prior years	(18,882)	(67,839)	-	(66,994)
	150,530	199,797	132,162	152,669
Education tax	32,776	29,444	25,927	23,867
	183,306	229,241	158,089	176,536
.2 Per balance sheet				
Income tax:				
Based on profit of the year	169,412	267,636	132,162	219,663
In respect of prior years	140,887	37,659	137,345	24,519
	310,299	305,295	269,507	244,182
Education tax	45,907	36,629	39,058	31,052
	356,206	341,924	308,565	275,234

The charge for taxation in these accounts is based on the provisions of Companies Income Tax Act, (LFN CAP 60) and the proposed changes to the tax laws as contained in the 1996 and 1997 budgets of the Federal Government of Nigeria and the Education Tax Decree,1993.

10. OTHER LIABILITIES

	The Group		The Company	
	1996	1995	1996	1995
	N'000	N'000	N'000	N'000
Proposed dividend (note 23)	376,597	376,597	376,597	376,597
Unclaimed dividend	60,899	85,746	60,899	85,746
Payables and transfers	2,634,391	3,527,926	2,597,653	3,493,707
Provisions and accruals	958,096	811,126	958,096	811,126
Unearned discounts	370,736	361,833	320,084	314,378
Others (Note 10.1)	6,897,604	8,593,328	5,927,070	7,010,867
Inter-branch accounts	383,022	45,637	378,329	37,244
	11,681,345	13,802,193	10,618,728	12,129,665
.1 Others comprise				
Vostro balances	238,578	327,579	238,578	327,579
Deposit against drawings on letters of credit	752,114	68,256	44,997	68,256
Impersonal items	5,622,272	7,914,877	5,568,353	6,573,314
Sundry credit balances	284,640	282,616	75,142	41,718
	6,897,604	8,593,328	5,927,070	7,010,867

11.	SHARE CAPITAL	The Group		The Company	
		1996	1995	1996	1995
.1	**Authorised:**	N'000	N'000	N'000	N'000
	600,000,000 ordinary shares of 50k each	300,000	300,000	300,000	300,000
	25,000,000 9% cumulative redeemable preference shares of N1.00 each	25,000	25,000	25,000	25,000
		325,000	325,000	325,000	325,000
.2	**Allotted, called up and fully paid:**				
	Ordinary shares of 50k each -				
	At 1st January	215,198	215,198	215,198	215,198
	Bonus issue (26th AGM)	53,800	-	53,800	-
	Bonus issue (27th AGM)	67,249	-	67,249	-
	At 31st December,	336,247	215,198	336,247	215,198

.3 At the bank's 26th annual general meeting held on 25th April,1996 it was resolved that the sum of N53,800,000 standing to the credit of bonus issue reserve be capitalised.

At the 27th annual general meeting held on 25th April,1996, it was resolved that the sum of N67,249,301 from the balance on general reserve be capitalised.

During the year, the directors after obtaining necessary approvals, utilised the sum of N121,049,301 in paying up in full:

(a) 107,600,000 ordinary shares of 50 kobo each issued to existing shareholders in the proportion of one new ordinary share for every four shares previously held; and

(b) 134,498,602 ordinary shares of 50k each to existing shareholders in the proportion of one new ordinary share for every four shares previously held.

.4 As a result of the bonus issues during the year, the paid up capital exceeds the authorised share capital by the sum of N36,247,301. This development has thus resulted in non-compliance with Section 117 of Companies & Allied Matters Decree, 1990.

The allotments of the bonus issues have been filed with the Corporate Affairs Commission and relevant share certificates issued.

The directors have put in motion the machinery to effect an increase in authorised capital.

12. STATUTORY RESERVE	The Group		The Company	
	1996	1995	1996	1995
	N'000	N'000	N'000	N'000
At 1st January,	590,702	433,615	483,269	358,751
Appropriation from profit and loss account	167,953	157,087	149,530	124,518
At 31st December,	758,655	590,702	632,799	483,269

13. EXCHANGE DIFFERENCE RESERVE				
At 1st January,	1,700,770	140,855	1,700,770	140,855
Movement during the year	(1,354)	1,559,915	(1,354)	1,559,915
At 31st December	1,699,416	1,700,770	1,699,416	1,700,770

This represents the gain arising on translation into Naira of the head office investment in London branch at the rate of exchange ruling at the year end. Any future exchange difference thereon will be reflected in this account.

14. GENERAL RESERVE	The Group		The Company	
	1996	1995	1996	1995
	N'000	N'000	N'000	N'000
At 1st January,	1,119,157	811,151	942,637	667,429
Dividend from subsidiary	(42,000)	(42,000)	-	-
Bonus issue (Note 11)	(67,249)	-	(67,249)	-
Bonus issue reserve(Note 15)	(84,062)	(53,800)	(84,062)	(53,800)
Retained profit for the year	575,137	403,806	470,739	329,008
At 31st December,	1,500,983	1,119,157	1,262,065	942,637

15. BONUS ISSUE RESERVE				
At 1st January,	53,800	-	53,800	-
Utilised during the year (Note 11.2)	(53,800)	-	(53,800)	-
Transfer from general reserve (Note 14)	84,062	53,800	84,062	53,800
At 31st December	84,062	53,800	84,062	53,800

16. FIXED ASSETS REVALUATION RESERVE	The Group		The Company	
	1996 N'000	1995 N'000	1996 N'000	1995 N'000
At 1st January,	2,379,302	448,152	2,379,302	448,152
Surplus during the year	-	1,931,150	-	1,931,150
At 31st December,	2,379,302	2,379,302	2,379,302	2,379,302

17. INTEREST EARNINGS				
Interest on advances	4,597,600	3,554,229	4,058,868	3,154,177
Income from treasury bills, certificates and stabilisation securities	1,480,804	1,381,108	1,480,804	1,381,108
Interest on deposits	1,362,386	1,191,004	1,362,386	1,191,004
	7,440,790	6,126,341	6,902,058	5,726,289

18. INTEREST EXPENSES				
Customers and staff	3,019,997	2,115,205	2,618,971	1,863,871

19. COMMISSION & OTHER INCOME				
Commission & bills charges	2,774,834	1,999,355	2,636,738	1,865,885
Foreign exchange	147,287	204,883	147,287	175,023
Dividend from investments	57,123	49,214	57,123	49,214
Lease income	372,000	140,111	221,361	93,690
Sundry income	203,325	460,439	65,158	361,187
	3,554,569	2,854,002	3,127,667	2,544,999

.2 The average number of persons employed in the year were as follows:

	The Group		The Company	
	1996 Number	1995 Number	1996 Number	1995 Number
Managerial	491	266	448	226
Senior staff	3,476	3,681	3,434	3,642
Junior staff	7,096	7,499	7,028	7,437
	11,063	11,446	10,910	11,305

	N'000	N'000	N'000	N'000
.3 The related staff costs amounted to	3,097,171	2,911,001	3,027,355	2,844,970

26. CONTINGENT LIABILITIES AND OTHER OBLIGATIONS

.1 The Bank enters into various commitments in the normal course of business which are not reflected on the balance sheet and in respect of which there are corresponding obligations by customers. These are as follows:

	The Group		The Company	
	1996	1995	1996	1995
	N'000	N'000	N'000	N'000
Acceptances, guarantees and indemnities	4,156,199	909,356	3,041,656	42,133
Bid bonds and performance guarantees	2,528,859	1,440,244	2,556,776	1,440,244
	6,685,058	2,349,600	5,598,432	1,482,377

.2 Deferred taxation

The potential capital gains tax on the surplus arising from the revaluation of land and buildings not provided for in these accounts amounted to N237,930,200; (1995 - N237,930,200).

Income tax deferred as at 31st December,1996 as a result of differences between the net book value of assets qualifying for capital allowances and their corresponding tax written down value amounting to N261,290,700; (1995 - N248,440,000) has not been provided for in these accounts.

.3 There are contingent liabilities in respect of legal actions against the Bank for amounts totalling N44,021,765 (1995 - N41,773,382) for which no provisions have been made. The actions are being contested and the directors are of the opinion that no significant liability will arise therefrom.

27. GUARANTEES AND OTHER FINANCIAL COMMITMENTS

		1996 N'000	1995 N'000
.1	Capital commitments Capital expenditure authorised by the directors but not provided for in these accounts are as follows:		
	Contracted	152,269	126,392
	Not contracted	23,291	16,500

.2 The directors are of the opinion that all known liabilities and commitments which are relevant in the assessment of the state of financial affairs of the bank have been taken into consideration in the preparation of these accounts.

28. APPROVAL OF FINANCIAL STATEMENTS

These financial statements were approved by the Board of Directors of the Bank on 26 March,1997.