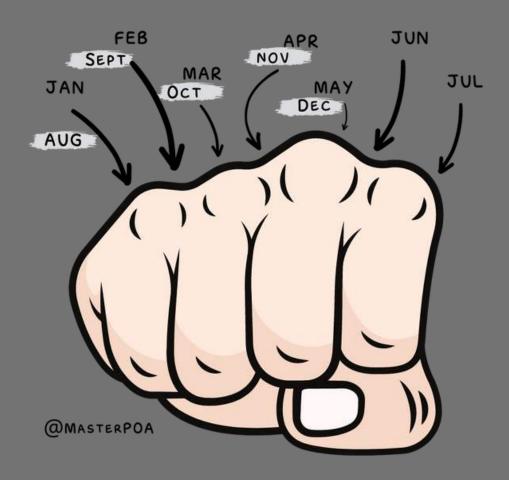


### RINCIPLES CALCULATING CCOUNTS

# FINANCIAL



BY MASTER PRINCIPLES OF ACCOUNTS



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#### **UNDERSTANDING GOALS**

- LOGIC Understanding Financial Period In Real Life
- EQUATION How the Calculator Is Built To Compute This
- APPLICATION Practice Using The Exercise
- PATTERNS Observe patterns and bringing this calculator into the exam.

#### **LOGIC - FINANCIAL YEARS IN REAL LIFE**

#### **HOW COMPANIES CHOOSE FINANCIAL YEAR**



#### **SEASONALITY**



#### **TAX SEASON**





#### **EQUATION - HOW THIS CALCULATOR WAS BUILT**

```
Returns:
       The end date of the period in 'YYYY-MM-DD' format, or an error message.
   try:
        # 1. Parse the input start date string into a date object
        start_date = date.fromisoformat(start_date_str)
        # Validate period length
        if months_to_add not in [3, 6, 9, 12]:
             return "Error: Period must be 3, 6, 9, or 12 months."
        # 2. Calculate the start date of the *next* period
        next_period_start_date = start_date + relativedelta(months=months_to_add)
        # 3. Subtract one day to get the end date of the *current* period
        period_end_date = next_period_start_date - timedelta(days=1)
        # 4. Format the result back into a string
       return period_end_date.isoformat()
   except ValueError:
       return f"Error: Invalid date format '{start_date_str}'. Please use YYYY-MM
    except Exception as e:
       return f"An unexpected error occurred: {e}"
# --- Examples ---
```

#### **HOW TO CALCULATE FINANCIAL PERIOD**

#### **CALENDAR YEAR**

YR 1 2021 2021

1 JAN 31 DEC

YR 2 2022 2022

1 JAN 31 DEC

The beginning of Year 2 starts \_\_\_ DAY later, NOT 12 MONTHS later!

#### **FINANCIAL YEAR**

YR 1 2021 2022

1 JUL 31 \_\_\_\_

YR 2 202\_ 202\_

\_\_\_\_ 31\_\_\_\_



#### **APPLICATION: YOUR TURN**

Complete the table below by stating the beginning or the end of the given accounting period.

	Length of accounting period	Beginning of accounting period	End of accounting period
i)	One month	1 March 2024	
ii)	One quarter		30 September 2025
iii)	Half a year		30 April 2025
iv)	3 months	1 December 2024	
V)	6 months		31 March 2025
vi)	9 months	1 July 2024	
vii)	12 months		28 February 2025



#### **IN REAL LIFE**

Larger companies, especially those that are listed in the stock exchange, report their earnings on a quarterly basis. Like the regular timings of your weighted assessments, an investor who relies on dividends for his income, will be interested to know the company's financial health and performance on a regular basis. Hence, the quarterly results are useful for that purpose.