

FINANCIAL PERIODS



@MASTERPOA

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-DD format."
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__
	1 _____	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.