

---

---

# Regional Course on Integrated Economic Statistics to Support

## 2008 SNA Implementation

18 – 21 April 2017

Bangkok Thailand

### Session 3.5: Compiling Accounts

#### Exercise – 3.5.1: Household Accounts

Among the members of a household, there is a pensioner (*X*), one member (*Y*) who runs a small laundry business, and a third (*Z*) has a regular employment in a company. The following are the data on transactions made by the household during an accounting period:

#### Earnings of the household:

salary & wages earnings of <i>Z</i>	2000
Pension received by <i>X</i>	600
Total receipts of <i>Y</i>	1200
Remittances received from a family member living abroad	350
Bank interest received	250

#### Expenditures of the household:

Repair and maintenance of the dwelling unit	40
Purchase of a vehicle (on loan) for laundry business	40,000
Fuel cost for the vehicle	200
Insurance premiums for the dwelling unit	30
Household's purchase of goods & services for final consumption	1200
Electricity charges and other expenses for the laundry business	550
Salary paid to a part-time employee of the laundry business	150
Payment to pollution control office for checking & certifying vehicle	5
Income Tax paid by <i>Z</i>	225
Pension contributions made by <i>Z</i>	10
Money sent to a child studying abroad	500
Interest payment for the vehicle loan	1150

Household lives in a owned dwelling, of which imputed rental is 425.

The company employing made a contribution of 20 to the social insurance scheme for *Z*.

---

A. Construct the sequence of current transaction accounts for the household. The accounts based on these data would however be unadjusted for allocation of FISIM, insurance services and contribution.

[Note that purchase of vehicle being for the laundry business is capital formation. For determining how should “payment to pollution control for checking & certifying vehicle” be treated, please refer to paragraph 7.80 of 2008 SNA (page 144). ]

**Current Transaction Accounts - unadjusted for allocation of FISIM, insurance services and contribution & premium supplements.**

Uses		Resources	
<b>Production Account</b>			
	Intermediate consumption	$GVO_{bp}$	
		Market output (at basic price)	
		For own use	
		( <i>t-s</i> ) on products & import duties	
	<b>B.1g GDP</b>		
<b>Generation of Income Account</b>			
	Compensation of employees	<b>B1. GDP</b>	
	Production ( <i>t-s</i> ) & import duties		
	<b>B.2g OS / B.3g MI (gross)</b>		
<b>Allocation of Primary Income Account</b>			
		<b>B.2g OS / B.3g MI (gross)</b>	
		Compensation of employees	
	Property income payable	Property income receivable	
		Production & import Taxes	
		Subsidies (-)	
	<b>B.4g GNI</b>		
<b>Secondary Distribution of Income Account</b>			
		<b>Balance of primary incomes (GNI)</b>	
	Current taxes on income & wealth, etc.	Current taxes on income & wealth, etc.	
	Net Social contributions		
		Social benefits (excl. in kind)	
	Other current transfers	Other current transfers	
	<b>B.6g GNDI</b>		
<b>Use of Disposable Income</b>			
		<b>B.6g GNDI</b>	
	<b>FCE</b>		
	Adjustments for changes in pension entitlements	Adjustments for changes in pension entitlements	
	<b>B.8g Gross savings</b>		

B. Under the following assumptions:

FISIM allocated to the household's laundry business:	115
FISIM allocated to the household as a consumer:	20
Service charges of social insurance scheme	5
Service charges for non-life insurance scheme:	2
Investment income attributed to the household by	
the non-life insurance agency	15
the social insurance fund	20
Adjustment for pension entitlements	12

please prepare the sequence of current transaction accounts for the household, adjusted for allocated of FISIM, insurance services and contribution.

Uses		Resources	
<b>Production Account</b>			
	Intermediate consumption	$GVO_{bp}$	
		Market output (at basic price)	
		For own use	
		( $t-s$ ) on products & import duties	
	<b>B.1g GDP</b>		
<b>Generation of Income Account</b>			
	Compensation of employees	<b>B1. GDP</b>	
	Production ( $t-s$ ) & import duties		
	<b>B2. OS + B.3 MI</b>		
<b>Allocation of Primary Income Account</b>			
		<b>B.2g OS / B.3g MI (gross)</b>	
		Compensation of employees	
	Property income payable	Property income receivable	
	<b>B.4g GNI</b>		
<b>Secondary Distribution of Income Account</b>			
		<b>Balance of primary incomes (GNI)</b>	
	Current taxes on income etc.	Current taxes on income etc.	
	Net Social contributions		
		Social benefits (excl. in kind)	
	Other current transfers	Other current transfers	
	<b>B.6g GNDI</b>		
<b>Use of Disposable Income</b>			
		<b>B.6g GNDI</b>	
	<b>FCE</b>		
	Adjustments for changes in pension entitlements	Adjustments for changes in pension entitlements	
	<b>B.8g Gross savings</b>		

- 
- C. Identify the monetary transactions between the household and other units. Find out the difference between receipts and expenditure. Compare the difference with *gross savings* that you obtain in the *use of disposable income account*. Explain your observation.

**Answer to Q. 2.1 C:**

- a. Sum of monetary transactions that are receipts of the household =
- b. Sum of monetary transactions are payments of the household =
- c. Difference [(a) – (b)] =
- d. *gross savings* =

Comparison of (c) and (d):

Explanation [within 50 words]:

---

---

**Exercise – 3.5.2: Non-financial Corporate Accounts**

The following are the data on transactions made by a branch (**B**) - a processing unit - of a multi-national corporation (**A**). The latter is NOT a resident of the economy.

**Revenue of the branch**

Processing charges received from domestic units	2400
Interest on business loans from customers	55

**Expenditures of the branch**

product taxes payable	24
other production tax	5
Salaries & wages paid to the workers	560
Contribution to social security for the workers	40
Rent on land paid to the government	200
Material costs	30
Fuel & electricity	700
Transport & other costs	45
Corporate tax payable	95
Property tax on office building	25
Payment of annual royalty to the parent for use of IPP	250
Purchase of machinery and computers	225
Interest payment to the bank for purchase of machinery	15

The parent multi-national company sends materials worth 100 for processing to the branch **B**. After having the materials processed by **B**, the parent **A** sells the processed product at 140 in the country where **B** is resident.

- A. Assuming allocated FISIM is **4** and *CFC* as **200**, construct current transactions of the branch.
-

---

### Current Transaction Accounts

Uses		Resources	
<b>Production Account</b>			
	Intermediate consumption	$GVO_{bp}$	
		Market output (at basic price)	
		For own use	
		Non-market	
		( <i>t-s</i> ) on products & import duties	
	<b>B.1g GVA</b>		
	<b>CFC</b>		
	<b>B.1n NVA</b>		
<b>Generation of Income Account</b>			
	Compensation of employees	<b>B.1n NVA</b>	
	Production ( <i>t-s</i> ) & import duties		
	<b>B2. OS (net)</b>		

<b>Allocation of Primary Income Account</b>			
		<b>B.2g OS (net)</b>	
	Property income payable	Property income receivable	
		Production & import Taxes	
		Subsidies (-)	
	<b>B.4n NNI</b>		

<b>Secondary Distribution of Income Account</b>			
		<b>Balance of primary incomes (NNI)</b>	
	Current taxes on income & wealth, etc.	Current taxes on income & wealth, etc.	
	Net Social contributions	Net Social contributions	
	Social benefits (excl. in kind)	Social benefits (excl. in kind)	
	Other current transfers	Other current transfers	
	<b>B.6n NNDI</b>		

<b>Use of Disposable Income</b>			
		<b>B.6n NNDI</b>	
	<b>B.8n net savings</b>		

---

---

**Exercise – 3.5.3: Government Accounts**

**Data of the government**

Production taxes received:	350
Income taxes received:	2500
Receipts from sales:	5
Receipts from foreign assistance:	25
Receipts of rent	40
Goods purchased and distributed free:	70
Social benefits in cash:	55
International assistance payable:	20
Interest payable on bonds	70

Expenditure for production of	<u>collective g&amp;s</u>	<u>individual g&amp;s</u>
<i>IC</i>	35	30
<i>CE</i>	150	250
<i>CFC</i>	15	20

---

A. Based on the data given above, complete the sequence of current transaction accounts for the government:

Uses		Resources	
<b>Allocation of Primary Income Account</b>			
		<b>B.2g OS / B.3g MI (gross)</b>	
	Property income payable	Property income receivable	
		Production & import Taxes	
		Subsidies (-)	
	<b>B.4g GNI</b>		
	<b>B.4n NNI</b>		
<b>Secondary Distribution of Income Account</b>			
		<b>Balance of primary incomes (GNI)</b>	
	Current taxes on income & wealth, etc.	Current taxes on income & wealth, etc.	
	Net Social contributions	Net Social contributions	
	Social benefits (excl. in kind)	Social benefits (excl. in kind)	
	Other current transfers	Other current transfers	
	<b>B.6g GNDI</b>		
	<b>B.6n NNDI</b>		
<b>Redistribution of Income in Kind Account</b>			
		<b>B.6g GNDI</b>	
	Social transfers in kind	Social transfers in kind	
	<b>B.7g Adjusted GNDI</b>		
	<b>B.7n Adjusted NNDI</b>		
<b>Use of Disposable Income</b>			
		<b>B.6g GNDI</b>	
	<b>FCE</b>		
	Adjustments for changes in pension entitlements	Adjustments for changes in pension entitlements	
	<b>B.8g Gross savings</b>		
	<b>B.8n Net savings</b>		
<b>Use of Adjusted Disposable Income</b>			
		<b>B.7g Adjusted GNDI</b>	
	Actual <b>FCE</b>		
	Adjustments for households' pension funds	Adjustments for households' pension funds	
	<b>B.8g Gross savings</b>		
	<b>B.8n Net savings</b>		



**B.** Construct the *redistribution of income in kind account and use of adjusted disposable income* account for the household sector. The *secondary distribution of income account and use of disposable income* for the household sector are as follows:

Uses		Resources	
<b>Secondary Distribution of Income Account</b>			
		<i>Balance of primary incomes (GNI)</i>	<b>14,550</b>
1555	Current taxes on income & wealth, etc.		
70	Net Social contributions		
		Social benefits (excl. in kind)	65
150	Other current transfers	Other current transfers	180
<b>13,020</b>	<b><i>B.6g GNDI</i></b>		
<b>12,795</b>	<b><i>B.6n NNDI</i></b>		
<b>Redistribution of Income in Kind Account</b>			
		<b><i>B.6g GNDI</i></b>	
	Social transfers in kind	Social transfers in kind	
	<b><i>B.7g Adjusted GNDI</i></b>		
	<b><i>B.7n Adjusted NNDI</i></b>		
<b>Use of Disposable Income</b>			
		<b><i>B.6g GNDI</i></b>	
9025	<i>FCE</i>		
		Adjustments for changes in pension entitlements	15
	<b><i>B.8g Gross savings</i></b>		
	<b><i>B.8n Net savings</i></b>		
<b>Use of Adjusted Disposable Income</b>			
		<b><i>B.7g Adjusted GNDI</i></b>	
	Actual <i>FCE</i>		
	Adjustments for households' pension funds	Adjustments for households' pension funds	
	<b><i>B.8g Gross savings</i></b>		
	<b><i>B.8n Net savings</i></b>		