**Financial Accounts Workshop**

**Session 3.3: Ensuring consistency in practice**

**Compilation of Accumulation Accounts and Balance Sheets**

**Workshop Questions**



**IMF Statistics Department**

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**Workshop: Compilation of accumulation accounts and balance sheets**

***The objective of this workshop is to provide hands-on experience with compiling the accumulation accounts (capital accounts, financial accounts, revaluation accounts) and balance sheets, highlighting the structure of the accounts, the relation of the accumulation accounts with the income accounts and the balance sheets, the relation between entries recorded in the various accumulation accounts and balance sheets, and finally the derivation of the balances.***

***MATERIAL PROVIDED IN ADVANCE***:

**Exercise 1:**

1. **Primary Data**: Table 1 and 2 providing the entries needed to fill in the capital and financial accounts for five institutional sectors of an economy. The five sectors are non-financial corporations, financial corporations, general government, households, and non-profit institutions serving households. A zero indicates that the sector might have transactions in that type of non-financial asset or financial instrument.

2. **Blank T-Accounts**: Worksheets with the format of the capital and financial accounts.

**Exercise 2 and 3:**

1. **2008 SNA Capital and Financial Accounts and Balance Sheets**

2. **Derivation Table:** A worksheet facilitating derivation of the closing balance; with some of the relevant headings.

***EXERCISE 1***:

The data in Table 1 are derived from various source statistics, and edited to fit into the national accounts framework. Table 2 provides relevant data obtained from the balance of payments statistics. Using the provided information,

(a) Enter the data in the capital and financial accounts using the attached worksheets for exercise 1;

(b) Derive the balancing items for each account for the five institutional sectors of this economy and for the total economy.

**Table 1:** Capital and financial account entries compiled from various source statistics

**Table 1 (a): Changes in assets**

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|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Transaction categories | Non-financial corporations | Financial corporations | General government | Households | NPISHs |
| **Changes in assets** |  |  |  |  |  |
| Loans | 19 | 52 | 3 | 3 | 0 |
| Changes in inventories | 26 | 0 | 0 | 2 | 0 |
| Debt securities | 7 | 62 | 3 | 10 | 0 |
| Cost of ownership transfer on non-produced assets | 17 | 0 | 0 | 0 | 0 |
| Acquisitions less disposals of natural resources | -6 | 0 | 2 | 3 | 1 |
| Insurance, pension and standardized guarantee schemes | 1 | 7 | 1 | 39 | 0 |
| Currency and deposits | 19 | 10 | -22 | 85 | 5 |
| Consumption of fixed capital | 137 | 10 | 30 | 42 | 3 |
| Monetary gold and SDRs |  | -1 |  |  |  |
| Other accounts receivable | 4 | 1 | 6 | 4 | 1 |
| Acquisitions less disposals of fixed assets | 233 | 9 | 37 | 61 | 19 |
| Acquisitions less disposals of valuables | 2 | 0 | 3 | 5 | 0 |
| Equity and investment fund shares | 10 | 28 | 3 | 76 | 0 |
| Acquisitions less disposals of contracts, leases and licenses | -1 | 0 | 0 | 1 | 0 |
| Financial derivatives and employee stock options | 3 | 8 | 0 | 3 | 0 |
| Purchases less sales of goodwill and marketing assets | 0 | 0 |  |  |  |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Transaction categories | Non-financial corporations | Financial corporations | General government | Households | NPISHs |
| **Changes in liabilities** |  |  |  |  |  |
| Currency and deposits |  | 73 | 37 |  |  |
| Capital transfers receivable | 33 | 0 | 6 | 23 | 0 |
| Loans | 17 | 0 | 6 | 10 | 3 |
| Capital transfers payable | 16 | 7 | 34 | 5 | 3 |
| Other accounts payable | 26 | 0 | 10 | 4 | 0 |
| Net saving (balancing item) | 45 | -9 | -53 | 218 | 23 |
| Insurance, pension and standardized guarantee schemes |  | 48 | 0 |  |  |
| Equity and investment fund shares | 83 | 22 |  |  |  |
| Debt securities | 6 | 31 | 34 | 0 | 0 |
| Financial derivatives and employee stock options | 3 | 8 | 0 | 0 | 0 |

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|  |  |  |
| --- | --- | --- |
| **Table 1 (b): Changes in liabilities** | |  |
|  |  |  |

**Table 2: Some data derived from the Balance of Payments**[[1]](#footnote-1)

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|  |  |  |
| --- | --- | --- |
|  | **2 (a): Changes in assets** |  |
|  | Monetary gold and SDRs | 1 |
|  | Loans | 4 |
|  | Other accounts receivable | 10 |
|  | Currency and deposits | 11 |
|  | Debt securities | 9 |
|  | Equity and investment fund shares | 2 |
|  | Insurance, pension and standardized guarantee | 0 |
|  | Financial derivatives and employee stock options | 0 |
|  | Acquisitions less disposals of contracts, leases and licenses | 0 |
|  | Purchases less sales of goodwill and marketing assets | 0 |

**Table 2: Some data derived from the Balance of Payments**

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|  |  |  |
| --- | --- | --- |
| **2 (b): Changes in liabilities** | |  |
|  |  |  |
|  | Currency and deposits | -2 |
|  | Loans | 45 |
|  | Capital transfers receivable | 4 |
|  | Other accounts payable | -14 |
|  | Capital transfers payable | 1 |
|  | Current external balance | -32 |
|  | Equity and investment fund shares | 14 |
|  | Debt securities | 20 |
|  | Insurance, pension and standardized guarantee | 0 |
|  | Financial derivatives and employee stock options | 3 |
|  |  |  |

***EXERCISE 2***:

Complete the derivation table using the accumulation accounts and opening balance sheet as provided. The derivation table facilitates the preparation of the Closing balance sheet for the total economy.

Do the changes in net worth correspond to the changes in the various accounts (that is, do the data in the columns conform to the data in the rows in the derivation table)?

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**Derivation Table Closing Balance Sheet for the Total Economy**

Acquisition -

Net

Opening

Disposal of

Acquisition

Other

Other

Balance

Gross Fixed

Capital

Formation

Consumption

Changes

Acquisition -

Non-Financial

of Financial

Trans-

Changes in

Changes in

Total

Closing

Sheet

of

in

Disposal of

Non-Produced

Assets/

actions

Volume of

Revaluation

Assets

Changes

Balance

Fixed Capital

Inventories

Valuables

Assets

Liabilities

(Subtotal)

Assets

(Subtotal)

Sheet

Non-Financial Assets

4,821

10

280

290

Produced Assets

2,918

-7

126

119

Non-Produced Assets

1,903

17

154

171

Financial Assets

8,031

5

84

89

Liabilities

7,762

-2

76

74

Net Worth

5,090

17

288

305

1. The data represent the Rest of the World’s point of view. [↑](#footnote-ref-1)