WISSENSPLUS

Case Study – CLIL
Dealing with documents:
Import/Export, EU purchases and sales

SOLUTION

Part 1 – Word search

1. Terminology – Glossary

English	**Deutsch**
bank transfer	Banküberweisung
cash discount	Skonto
to convert	Währung umrechnen
currency	Währung
customer	Kundin/Kunde
domestic trade	Binnenhandel
exchange rate	Umrechnungskurs
EU purchase	Innergemeinschaftlicher Erwerb
EU sale	Innergemeinschaftliche Lieferung
to be exempt from tax	von der Steuer befreit sein
export	Export
foreign currency	Fremde Währung, Devisen
freight	Fracht
to make a gain	einen Gewinn bzw. ein Plus erzielen in der jeweilige Situation (nicht zu verwechseln mit „profit", womit der Gesamtgewinn gemeint ist)
import	Import
invoice	Rechnung
to make a loss	einen Verlust erzielen
purchase tax	Einfuhrumsatzsteuer
SEPA	Single Euro Payments Area (elektronische Zahlungen innerhalb der EU-Länder ohne zusätzliche Gebühren bzw. wie zuhause – Es fallen keine Gebühren an, außer für die Umrechnung von Fremdwährungen.)
single market	Binnenmarkt
supplier	Lieferantin/Lieferant
Tax-free EU sale	Umsatzsteuerfreie innergemeinschaftliche Lieferung
VAT (Value Added Tax)	USt (Umsatzsteuer als Überbegriff für Vorsteuer oder Umsatzsteuer)
VAT input	VSt (Vorsteuer)
VAT output	USt (Umsatzsteuer)

WissenPlus | Unternehmensrechnung

2. Word search

Name:________

Foreign Trade

Find terms related to foreign trade! (Some are made up of two words)

V	F	Z	D	T	P	V	I	R	H	R	Z	V	H	J	D	S	X	T	F
D	T	T	J	E	U	P	U	R	C	H	A	S	E	F	B	X	Q	Y	H
H	Y	A	O	E	F	P	T	R	E	V	N	O	C	D	E	A	D	T	P
H	J	L	X	E	V	R	M	Y	Z	I	H	O	E	X	U	T	G	O	H
X	F	P	P	R	P	A	E	M	W	Y	J	O	E	U	S	E	T	N	P
Z	F	Z	K	E	H	L	V	I	J	P	N	Y	Z	A	A	S	P	R	J
Y	A	S	C	F	D	T	D	M	G	J	Z	C	C	S	L	A	M	S	F
L	U	S	I	S	S	M	E	Y	M	H	S	N	A	I	E	H	E	Y	Z
F	L	O	C	N	P	X	K	S	G	K	T	E	S	Z	X	C	X	J	F
K	O	L	U	A	G	L	A	T	W	A	A	R	H	J	M	R	E	T	V
Y	D	N	S	R	G	L	P	J	Z	A	V	R	D	J	Y	U	M	R	O
M	Z	S	T	T	E	C	E	J	J	O	O	U	I	G	X	P	R	Z	T
Y	O	Y	O	K	Z	U	S	M	D	P	J	C	S	V	E	S	D	R	G
N	I	N	M	N	I	Z	B	L	A	F	D	N	C	U	Z	K	O	V	I
R	I	J	E	A	Q	C	T	N	U	R	M	G	O	G	B	P	M	Q	A
Y	M	T	R	B	S	Y	W	C	S	H	K	I	U	V	M	N	X	A	W
C	Q	F	P	U	Q	W	Q	X	D	H	K	E	N	I	I	B	Z	F	Z
P	R	E	I	L	P	P	U	S	I	M	C	R	T	A	X	C	S	N	N
C	I	T	S	E	M	O	D	C	T	S	Z	O	G	W	G	P	L	Q	U
Q	B	B	T	R	O	P	X	E	L	V	C	F	M	H	H	N	Q	C	Z

FOREIGN CURRENCY	FREIGHT	BANK TRANSFER
EXPORT	CONVERT	LOSS
EU PURCHASE	SUPPLIER	DOMESTIC
CASH DISCOUNT	IMPORT	GAIN
SINGLE MARKET	PURCHASE TAX	EUSALE
EXEMPT	VAT	CUSTOMER
SEPA		

Part 2 – Documents

1. **State** what needs to be on a sales or purchase invoice for it to be correct.

   An invoice must contain the following points according to the VAT Act:

   1. the name and address of the supplier
   2. the name and address of the customer
   3. the quantity and standard description/name of the goods/service
   4. the date of delivery or provision of service
   5. the invoice date (date of issue)
   6. the net amount owed
   7. the rate of VAT
   8. the amount of VAT
   9. a consecutive number
   10. the VAT registration number of the seller
   11. the VAT registration number of the buyer for invoices over € 10,000.00 gross and for any sales to the EU.

   The **VAT registration number** clearly **identifies a business.**

2. **Check** each document to make sure it is correct.

All are correct except the purchase invoice from István Molnár Kft. The **VAT number of the customer** (Crann Toys GmbH) is missing and the quantity of the oak boards is wrong: It should be **50 units**, not 500 units.

This is how the new invoice should look:

Correct invoice with changes made marked

István Molnár Kft.
Csapás u. 84.
2111 Szada
Hungary
Tel. +36 20 333 4713
Email: istvanmolnar@gmail.com
Web: www.istvanmolnar.com

Crann Toys GmbH
Cottage St. 13
3430 Tulln
AUSTRIA

Invoice number:	00078
Date of sale:	28 October 20--
Date of invoice:	28 October 20--
Date of delivery:	29 October 20--
Customer account:	20288
Customer VAT No.	ATU 67281579

Your ref: UP
Our ref: DF

Article No.	Description	Quantity	Unit price HUF	Total
48819	beech - 2m X 20cm X 1.8cm boards	3,000	12,000.00	36,000,000.00
217188	oak - 1.60m X 80cm X 2.5cm boards	50	138,500.00	6,925,000.00

Total net:	**HUF**	42,925,000.00
exempt from VAT (EU sale)		0.00
Total gross:	**HUF**	42,925,000.00

Payment within 30 days net by bank transfer (see details below)
3% cash discount if paid within
10 days
Terms of delivery: CIF
Vienna, Austria

Jurisdiction: Budapest VAT No. HU 14066113
Bank: UniCredit Bank Hungary
IBAN: HU42 1093 0000 1690 0014 2347 BIC: BACX CZ PP

3. Decide what measures you will take if an invoice is not correct.

Contact István Molnár Kft. and ask them to re-issue the invoice with the correction. When you receive the new invoice, check once again that everything is in order.

4. Post the correct documents to the accounts. Write out your entries in the sheet provided. **Don't forget to show all your calculations!**

Entries for foreign currency transactions for an EU purchase and an export:

Document 1 Purchase invoice – Hungary

Post purchase of goods to EU to accounts in €:

Invoice amount	HUF	42,925,000.00	
	÷	364.2510	lower exchange rate = purchase
	€	117,844.56	

Purchase entry on 28.10.20--

P 126 28.10.20--

5100	Raw materials used		/	33790	István Molnár Kft.	117,844.56	↓

Purchase tax:

117,844.56 × 20 % =€ 23,568.91

2510	VAT input on EU purchases		/	3510	VAT output on EU purchases	23,568.91	n

Document 2 Invoice for transport costs for the purchase from Hungary (The transport costs are part of purchase price!)

P 127 29.10.20--

5100	Raw materials used	8,418.00	/	33087	SPEEDY GmbH	10,101.60	↓
2500	VAT input	1,683.60	/				

Document 3 Sales invoice

S 29 2.11.20--

21591	Gagnon AG		/	4015	Export sales revenue	8,670.92	↑

Document 4 Invoice for transport costs for the sale (export)

P 128 5.11.20--

7301	Freight outwards 0 %		/	33025	WIT Transport GmbH	710.00	↓

Document 5 Bank statement B 3 on 9.11.20-- for all entries

EU purchase – Hungary:

The amount you see on the bank statement is the result of the following calculation:

Amount paid:	HUF 42,925,000.00	−3 %	=	HUF 41,637,250.00
			÷	364.1053*
			=	€ 114,354.97

* exchange rate on the bank statement

Entry including foreign currency fees:

B 3 9.11.20--

33790	István Molnár Kft.	114,354.97	/	2800	Bank	114,360.77	n
7790	Bank charges on transfers	5.80	/				↓

Cash discount to the supplier, István Molnár Kft.:

Gross amount:	HUF 42,925,000.00	× 3 % cash discount	=	HUF 1,287,750.00
			÷	364.1053
			=	€ 3,536.75

B 3 9.11.20--

33790	István Molnár Kft.	/	5885	Cash discount from suppliers on EU purchases	3,536.75	↑

Entry for the correction of the purchase tax as a result of the cash discount:

Deduction from original purchase tax:

Cash discount of € 3,536.75 × 20 % = € 707.35

3510	VAT output on EU purchases	/	2510	VAT input on EU purchases	707.35	n

Difference in exchange rates:

Amount due (in €):	117,844.56	
	117,891.72	
	−47.16	Crann Toys paid more

7815	Foreign currency losses	/	33790	István Molnár Kft.	47.16	↓

Transport for the EU purchase from Hungary:

B 3 9.11.20--

33087	SPEEDY GmbH	/	2800	Bank	10,101.60	n

Entry for the receipt of money from the customer Gagnon AG

The amount is already stated on the bank statement but the student needs to understand how this number was calculated:

Amount received:	CHF 9,375.00	–2 % cash discount	=	CHF 9,187.50
			÷	1.0866*
			=	€ 8,455.27
		– bank fees		€ 5.30
			=	€ 8,449.97

* exchange rate on the bank statement

Entry including foreign currency fees:

B 3 9.11.20--

2800	Bank	8,449.97	/	21591	Gagnon AG	8,455.27	n
7790	Bank charges on transfers	5.30	/				↓

Cash discount to the customer, Gagnon AG:

Gross amount:	CHF 9,375.00	× 2% cash discount	=	CHF 187.50
			÷	1.0866
			=	€ 172.56

B 3 9.11.20--

4416	Cash discounts on exports	/	21591	Gagnon AG	172.56	↓

Difference in exchange rates:

Amount due (in €):	8,670.92	
	8,627.83	
	-43.09	Crann Toys received less

7815	Foreign currency losses	/	21591	Gagnon AG	43.09	↓

Transport for the export to Switzerland:

B 3 9.11.20--

33025	WIT Transport GmbH	/	2800	Bank	710.00	n