

Loans

Long-term loans

New long-term loans can be taken only at point #8 in the “Turn of the year” checklist. Each loan is for 20M and the period is four years. The interest is 10%, i.e., 2M per loan per year. The interest is paid annually (#4 in the same checklist). At this point, after interest is paid, it is possible to repay long-term loans if you don’t want to keep them for the full four-year period.

The bank limits the total amount of the loans (long- and short-term) to not more than four times the equity capital in the latest annual report. Within this limit, only two times the equity capital may be placed as long-term loans. The remaining amount has to be short-term loans, see below. It is a good idea to plan so that not more than 40M in loans fall due at the same time!

Short-term loans

New short-term loans may be taken only at point #2 in the “Each quarter” checklist. Each loan is for 20M and can be maintained for only one year at a time, i.e., the bank will reconsider each year if you can maintain the loan for another year.

The interest is 20%, i.e., 4M per loan per year. Interest is paid quarterly, i.e., 1M per loan per quarter. When a short-term loan is due, you can choose to negotiate with the bank to keep it for another year. It might also be possible to convert it into a long-term loan instead (see above).

Buying and selling real property

The properties available are the Old Factory (owned by the company in year1), New Factory and Small Factory.

To buy:

The purchase price of a property is taken from “Cash” and placed in a value carrier, which is then placed on the board on the property in question. A property that has been sold can be repurchased. The purchase prices are equal to the market prices: 20M, 18M and 8M, respectively. The value of properties purchased is reported in the Balance Sheet as an increase in “Real properties.”

To sell:

The sales price of a property is moved to “Accounts receivable,” four quarters— i.e., the column at the far right, since it takes one year before the proceeds of the sale are received. However, the sum may be received in advance, partially or totally, by factoring. In the Balance Sheet, the amount of the sale is reported as a reduction in “Real properties.” (No sales income or cost is involved, only a redistribution of company assets.)