

ELUJAH JENNIFER SOKOLAYAM

18/SMS01/013

SOCIAL AND MANAGEMENT SCIENCES

ECONOMICS DEPARTMENT

Minimum royalty for head lesse=minimum output\*amount

per ton 1000\*2=2000

In the book of Lesse (Akeredolu plc)

YEAR	LESSE OUTPUT	SUBLESSSE OUTPUT	COMBINED OUTPUT	ACTUAL ROYALTY	MINI ROYALTY	SHORT WORKINGS	SHW RECOUPED	SHW LAPSED	AMOUNT
2001	720	100	820	1640	2000	560	-	-	2000
2002	800	140	940	1880	2000	120	-	360	2000
2003	1200	300	1500	3000	2000	-	120	-	2880
2004	600	320	920	1840	2000	160	-	-	2000
2005	900	400	1300	2600	2000	-	160	-	2440

SUBLESSSE'S AGREEMENT

YEAR	OUTPUT	ACTUAL ROYALTY	MINI ROYALTY	SHORT WORKINGS	SHW RECOUPED	SHW LAPSED	AMOUNT
2001	100	200	600	400	-	-	600
2002	140	280	600	320	-	-	600
2003	300	600	600	-	-	-	600
2004	320	640	600	-	40	-	600
2005	400	800	600	-	200	480	600

PROFIT EARNED BY LESSE 2001.

100(2-2)=0 2002. 140(2-2)=0

2003. 300(2-2)=0. 2004.

320(2-2)=0. 2005. 400(2-2)=0

DR		LESSOR A\C	CR
	<b>2000</b>	31/12/01 ROYALTY PAYABLE	1440
		31/12/01 ROYALTY RECEIVABLE	200
		31/12/01 SHORT WORKING REC.	260
<b>31/12/01 BANK</b>	<b>2000</b>		<b>2000</b>
	<b>2000</b>	31/12/02 ROYALTY PAYABLE	1600
		31/12/02 ROYALTY RECEIVABLE	280
		31/12/02 SHORT WORKING REC.	120
<b>31/12/02 BANK</b>	<b>2000</b>		<b>2000</b>
	<b>3000</b>	31/12/03 ROYALTY PAYABLE	2400
		31/12/03 ROYALTY RECEIVABLE	600
<b>31/12/03 BANK</b>	<b>3000</b>		<b>3000</b>
	<b>2000</b>	31/12/04 ROYALTY PAYABLE	1200
		31/12/04 ROYALTY RECEIVABLE	640
		31/12/04 SHORT WORKING REC.	160

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<b>31/12/04 BANK</b>	<b>2000</b>		2000
<b>31/12/05 SHORT WORKING REC.</b>	<b>160</b>	31/12/05 ROYALTY PAYABLE	1800
<b>31/12/05 BANK</b>	<b>2440</b>	31/12/05 ROYALTY RECIEVABLE	800
	<b>2600</b>		2600

DR ROYALTY PAYABLE A/C CR

31/12/01 LESSOR	1440	31/12/01 LESSOR	1440
31/12/02 LESSOR	1600	31/12/02 LESSOR	1600
31/12/03 LESSOR	2400	31/12/03 LESSOR	2400
31/12/04 LESSOR	1200	31/12.03 LESSOR	1200
31/12/05 LESSOR	1800	31/12/03 LESSOR	1800

DR ROYALTY RECEIVABLE A/C CR

31/12/01 LESSOR	300	31/12/01 SubL	300
31/12/02 LESSOR	280	31/12/02 SubL	280
31/12/03 LESSOR	600	31/12/03 SubL	600
31/12/04 LESSOR	640	31/12/04 SubL	640
31/12/05 LESSOR	800	31/12/05 SubL	800

DR SUBLESSE A/C CR

31/12/01 ROYALTY RECEIVABLE	200	31/12/01 BANK	600
31/12/01 SHORTWORK WORKING ALL.	400		600
	600		
31/12/02 ROYALTY RECEIVABLE	280	31/12/02 BANK	600
31/12/02 SHORTWORKING ALLOWANCE	320		600
	600		
31/12/03 ROYALTY RECEIVABLE	600	31/12/03 BANK	600
		31/12/04 SHORTWORKING RECOV.	40
31/12/04 ROYALTY RECEIVABLE	640	31/12/04 BANK	600
	640		640
31/12/05 ROYALTY RECEIVABLE	800	31/12/05 SHORTWORKING REC.	200
		31/12/05 BANK	600
	800		800

