

Question 1

Month	Description	A
1	value unit	6000
2	8,500 first Bank shares @ 2750	233,750
	month 1 balance	31,750
		<hr/>
	value unit [265,500/40]	6638
3	8,500 first Bank shares @ 25	212,500
	16,500 BUA shares @ 1350	222,750
	month 2 balance	18,020
		<hr/>
	value unit [453,270/40]	11332
(4)	8,500 first Bank shares @ 26	221000
	16,500 BUA shares @ 14	231000
	58,000 conod shares @ 3.70	214600
	month 3 balance	14296
		<hr/>
	value unit [780,896/108 = 7231]	7231

3 meetings x 4 presigned people = 12  
 120 - 12 = 108



**Bank A**

month 1	unit capital	240,000
month 2	unit capital	265,520
month 3	unit capital	407,952
month 4	unit capital	260,316
month 4	Investment Income	19,000
		<u>1,192,788</u>

month 1	Investment	280,250
month 2	Investment	247,500
month 3	Investment	203,000
month 4	unit capital	90,656
	BAL c/d	371,382
		<u>1,192,788</u>

	280,250
	247,500
	203,000
	90,656
	<u>371,382</u>
	<u>1,192,788</u>

**Investment**

month 1  
month 2  
month 3

280,250
247,500
203,000
<u>730,750</u>

BAL c/d

730,750

730,750

**Unit Capital Capital A/c**

month 4 Banks  
BAL c/d

90,656
1083132
<u>1173,788</u>

month 1  
month 2  
month 3  
month 4

A	240,000
	265,520
	407,952
	260,316
	<u>1,173,788</u>

**Investment Income A/c**

month 4

port

19,000
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month 4 Bank

19000



2) **ABUAD FARMS** at  
**Statement of Reconciliation to show change in fair value**  
 as at 31 December 2015

	K
1st January, 2019	234,000
Day old chicks 1300 x N180	2,784,000
2 year old chickens 800 x N3480	750,000
purchase	<u>3,768,000</u>
6 month old chickens 500 x N1,500	[210,000]
Dead chickens during the year [170 x 1750]	<u>3,558,000</u>
Change in fair value	3,253,000
<b>31st December 2019</b>	<b>3,720,000</b>
One year chicken [1240 x 3000]	1,551,000
One and a half year old chicken [470 x 3300]	1,540,000
Three year old chickens [770 x 2000]	<u>681,000</u>

**Statement of Profit or Loss and Other Comprehensive Income**

	K	K
Sales farm produce eggs		6,423,340
Opening Inventory	650,000	
Purchases feeds	2,096,570	
Insecticide	<u>156,000</u>	
COGAS	3,752,570	
Closing Inventory	[1,875,000]	[1,877,570]
Gross Profit		4,545,770
Miscellaneous Income		<u>3,253,000</u>
Change in fair value		8,249,730
Expenses		
Deprecation farm house	9	
farm machinery		



# Expenses

## Depreciation

farm house

90,000

farm machinery

157,000

## Staff cost

770,000

Fuel and oil for machinery

168,000

marketing cost

105,500

repairs

52,500

insurance

77,600

Hire of tractors

104,800

Bad debt

175,500

Other operating expenses

292,750

[19,89,650]

Net profit for the year

6,260,080



Name: DANLUMA CHUKWUDALU IBRAHIM

Department Accounting

Level 200L

Course: ACC206

Matric No: 18/SMS02/047

3a) freight charges are the main income collected against the transportation of the goods, It is a charge paid for carriage or transportation of goods by air, land or sea

(i) Passage money: Passage money is collected from the passengers, in case it's passenger's vessel. The fare of a passenger by sea, money paid for the transportation of persons in a ship or vessel.

(ii) Primage: Primage is an additional freight in the form of surcharge on the freight.

(iii) Stevedores: This is the loading and unloading of cargo called stevedores charges and should be debited from the voyage account.

(iv) Bunker cost: Cost of water, coal, diesel fuel etc used for the purpose of voyage, it is called bunker cost and may debit from the voyage account.



36)

Dr Client ledger [Beef

Cr

Date	particular	office	client	Date	particular	office	client
10 June	Cash advance	17,000		20 June	Cash	-	90,000
15 June	Cash adv	110,000		20 June	Cash	280,000	
20 June	Cash	-	280,000	23 June	Cash	55,000	
25 June	Cash	-	520,000				
25 June	Cash	-	55,000				
June 31	Cash LBR	-	45,000				
June 31	Private ledger	55,000					
		335,000	90,000			335,000	90,000

Date	particular	Office	Cash Client	Date	particular	Office	Client
20 June	Cash	-	90,000	10 June	Beef adv	170,000	-
20 June	Cash	280,000		15 June	Beef adv	110,000	-
25 June	Cash	55,000		20 June	Beef		280,000
				25 June	Beef		520,000
				25 June	Beef		55,000
				31 June	Beef (B)		45,000
				31 June	Balance	55,000	
		335,000	90,000			335,000	90,000

\* private ledger

June 31	porL	55,000	June 31	Beef	25,000
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(b)

§ Three key parties (i) The manager (ii) The trustee

(i) The shareholder

The manager: He is employed by the trustee(s) to manage the funds of the unit trust. His main responsibility is to seek out the best investment opportunities from time to time that will yield the best returns for the funds he has been asked to manage.

(ii) The trustee: He is appointed by the unit holder to oversee the unit trust. He has oversight responsibility over the activities and decisions of the manager. He has been appointed to oversee the utilisation and performance of the funds.

(iii) The holder: This is the owner of the trust. They contribute funds by paying subscriptions from time to time based on laid down agreements. They own units in the organisation.



Value of shares deposited = % Underwritten x No. of shares x Application Money  
 $= 86\% \times 6,000,000 \times 0.38 = 1,960,800$

No. of shares to be taken up by the underwritten  
 3,000,000  
 [2,680,000]  
 350,000  
 301,000

No. of shares issued  
 No. of shares allotted  
 No. of shares unsubscribed

Share to be taken up [7%  $86\% \times 350,000$ ]

Balance due on allotment  
 Total amount due  
 [0.38 to 0.8] x 301,000

A  
355,180

Commission

Cash:  $7\% \times 86\% \times A6,000,000 = A361,200$   
 Shares:  $3\% \times 86\% \times A6,000,000 = A154,800$

Amount paid on 1st call  
 301,000 shares @ 0.6 = A180,600

Amount paid on final call  
 301,000 shares @ 0.24 = A72,240

Profit on sales of shares  
 Sales proceeds [250,000 shares @ 0.95] A 237,500



(4b)

compare

<u>Underwriting commission</u>	<u>overriding commission</u>
This is the commission payable to the underwriter	This is the commission payable to the underwriter in addition to the underwriting commission for placing blocks of the shares offer with its clients.

contrast

<u>Underwriting commission</u>	<u>overriding commission</u>
The proportion underwriting is the percentage underwriting multiplied by the total value of the offer.	This in effect, is a brokerage payable to the underwriter for finding subscribers for some of the shares.