

QUESTION 1

A.

Perk Unit Trust

Statement of valuation.

Month	Description	A
1.	Value / unit	6,000
2.	8,500 first bank shares @ A 27.50 month 1 Balance	233,750 31,750 265,500
	Value / unit (265,500 / 40)	6638
3.	8,500 first Bank shares @ A 25 16,500 BUA shares @ 1350 month 2 Balance	212,500 222,750 18,020
	value / unit (453,270 / 40)	453,270 11,332
4	8,500 first Bank Shares @ A 26 16,500 BUA shares @ A 14 58,000 Coroil shares @ A 3.70 month 3 Balance	221,000 231,000 214,600 114,296
	value / unit (780,896 / 108)	780,896 7231

3 meeting X 4 resigned people = 12

$$120 - 12 = 108$$

1b. Three key parties:

- The manager
- The Trustee
- The holder

a. 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.

b. 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.

c. 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.

Name: ADEKOTA ABAYI ABEDOGO D.

24th June, 2020

Matric No: 18/SMS02/2003

Department: Accounting

QUESTION TWO

1.

ABDAB FARMS.

Statement of profit or loss at the year ended 31st December 2019.

	₦	₦
Sales: Farm produce (eggs)		6,423,240
Inventory:	1,500,000	
add purchases: feedst/insecticide (156,000 + 2,096,570)		
	<u>3,762,570</u>	
Closing inventory	(2,875,000)	(1,877,570)
Gross profit		4,545,770
Miscellaneous Income		450,960
		<u>4,996,730</u>

Expenses

Depreciation for the year:

Farm house	90,000	
Farm machinery	157,000	
	<u>247,000</u>	
Staff cost	770,000	
Insurance	77,600	
Fuel & oil for machines	162,000	
Marketing Cost	105,500	
Hire of tractors	100,800	
Bad debt	175,500	
Other operating expenses	292,750	(1,937,150)
Profit for the year:		<u>3,059,580</u>

ABUAD FARMS

STATEMENT OF FINANCIAL POSITION AS AT THE YEAR ENDED
31ST DECEMBER 2019.

	₦ COST	₦ ACCUMULATED DEPRECIATION	₦ CARRYING VALUE
<u>Fixed non-current assets</u>			
Farm house	27,850,000	192,900	27,657,100
Farm machinery	13,290,750	825,500	12,465,250
Biological assets			3,810,000
Land			12,567,800
			57,000,200
<u>Current assets</u>			
Bank and cash		18,146,550	
Inventory		1,850,000	
Receivables		2,578,870	
Total assets		74,575,620	74,575,620
<u>Equity and liabilities</u>			
Capital			45,000,000
add: net profit			3,059,580
			48,059,580
Drawings			(1,590,000)
			46,469,580
Non-current liabilities			
Loans	26,000,000		
Current liabilities			
Payables	1,936,540		
	1,936,540		27,936,540
			74,406,120

2019

	₦
Jan 1. 1000 day old chicks @ ₦180 each	224,000
Jan 1. 1000-2 year old chicks @ ₦340 each	2,784,000
Jan 1. 500-6 month old chicks @ ₦1500 each	<u>750,000</u>
	3,758,000
Dead chicks (120 @ ₦1750)	<u>(210,000)</u>
	3,548,000
Change in fair value	3,744,000
Dec 31. One year old chicks (1240 @ ₦2,000)	3,220,000
Dec 31. 3 year old chicks (1770 @ ₦2,000)	3,540,000
Dec 31. 1 1/2 year old chicks (570 @ ₦3,500)	<u>(1,850,000)</u>
	7,302,000

QUESTION THREE:

- Q. i. Freight charges: freight charges are the main income collected against the transportation of the goods
- ii. Passage money: passage money is collect from the passengers, in case of a passenger's vessel.
- iii. Primage: primage is an additional freight in the form of surcharge on the freight.
- iv. Stowage: this is the loading and unloading of cargo.
- v. Bunker cost: cost of water, coal, diesel, fuel, etc. during voyage.

		Client's Ledger (Bank)			
Dr	Particular	Office	Client	Date	Particular
					Office
					Client
10 June	Cash advance	170,000	-	20 June	Cash
15 June	Cash advance	110,000	-	20 June	Cash
20 June	Cash	-	280,000	25 June	Cash
25 June	Cash	-	65,000		
June 31	Cash (B.F.)		45,000		
June 31	Private ledger	50,000	-		
		<u>325,000</u>	<u>700,000</u>		
					<u>325,000</u> <u>700,000</u>

Cash Book.

Debit				Credit			
Date	Particular	Office	Client	Date	Particular	Office	Client
20 June	Cash	—	900,000	10 June	Belf advance	170,000	—
20 June	Cash	280,000	—	15 June	Belf advance	110,000	—
25 June	Cash	55,000	—	20 June	Belf	—	280,000
				25 June	Belf	—	520,000
				25 June	Belf	—	55,000
				31 June	Belf (BA)	—	45,000
				31 June	Bal c/d	55,000	
						<u>335,000</u>	<u>900,000</u>

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Private Ledger

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June 31	Por L	55,000
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June 31	Belf	25,000
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