

EK10 James Oluwole
18/01/2024
Accounting dept.

15) Three key roles:-
The manager
The trustee
The holder

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.

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.

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

Peter unit trust

Statement of Valuation

Month	Description	M
1)	Value Unit	6,000
2)	8,500 first Bank shares @ M 27.50	233,750
	Month 1 balance	<u>31,750</u>
		265,500
	Value/unit (265,500/40)	6635
3)	8,500 first bank shares @ M 25	212,500
	16,500 Bank shares @ B 50	222,750
	Month 2 balance	<u>17,220</u>
		433,270
	Value/unit (433,270/40)	11332
4)	8,500 first bank shares @ M 26	221,000
	16,500 Bank shares @ M 14	231,000
	38,000 Council shares @ M 3.10	214,600
	Month 3 balance	<u>1,4296</u>
		720,996
	Value/unit (720,996/102) = 7231	7231

3 meeting ✓ 4 resigned people = 12

$$120 - 12 = 108$$

Bank c/c

A		P	
Month 1 Unit capital	240,000	Month 1 Investment	290,250
Month 2 Unit capital	265,520	Month 2 Investment	247,500
Month 3 Unit capital	407,952	Month 3 Investment	203,000
Month 4 Unit capital	260,316	Month 4 Unit capital	90,050
Month 4 Invest Income	19,000	Bal c/d	371,382
	<u>1,142,785</u>		<u>1,142,785</u>

Investment c/c

P		A	
Month 1 Bank	290,250	Bal b/d	730,750
Month 2 Bank	247,500		
Month 3 Bank	203,000		
	<u>730,750</u>		<u>730,750</u>

Unit capital c/c

P		A	
Month 4 Bank	90,050	Month 1	240,000
Bal c/d	108,332	Month 2	265,520
		Month 3	407,952
		Month 4	260,316
	<u>1,173,788</u>		<u>1,173,788</u>

Investment Income a/c

month 4 Por L

19,000

month 4 bank

19,000

✱

2019

₹

24) Jan 1	old chick @ ₹ 150 each	234000
Jan 1	2 years olds @ ₹ 3150 each	2784000
Jan 1	500 6 month olds @ ₹ 1500 each	<u>750000</u>
		3768000
	Dead chickens (120 @ ₹ 1750)	<u>(21,0000)</u>
		3558000
	Change in fair value	3744000
Dec 31	one year old (1240 @ ₹ 3000)	3720000
Dec 31	3 years old (1770 @ ₹ 2000)	3540000
Dec 31	1 and a half year old (570 @ ₹ 330)	<u>1881000</u>
		<u>7302000</u>

25) Statement of Profit or loss and other component income

Solest farm produce (eggs) 6,423,340

Opening Inventory	1300,000	
Purchases / feeds	2,096,570	
Insecticide	<u>186,000</u>	
	3,752,570	
Closing Inventory	<u>(1,875,000)</u>	<u>(1,875,000)</u>
Gross Profit		4,548,340
miscellaneous income		480,960

	H	M
Change to inventory		3,253,000
Change in fair value		8249,730
Expenses :-		
Depreciation: Farm house	90,000	
Farm machinery	157,000	
Staff cost	770,000	
Fuel and oil for machines	168,000	
Marketing cost	105,500	
Repairs	52,500	
Insurance	77,600	
Hire of tractors	100,800	
Bad debt	175,500	
Over operating expense	<u>292,750</u>	(1,989,650)
Net profit of the year		<u>6,260,080</u>

ABSTRACT Form

Statement

3) Freight charges: Freight charges are the main income collected against the transportation of goods.

Passage money: Passage money is collected from the passengers. Hence it is passenger's vessel.

Primage: It is an additional freight in the form of surcharge of the freight.

36

Client's Ledger (Beep)

Dr		Cr	
Date	Particulars of the client	Date	Particulars of the client
10th June	Cash collected 170000	20 June	Cash - 900,000
15 June	Cash adv 110,000	20 June	Cash 280,000 -
20 June	Cash - 280,000	25 June	Cash 55,000 -
25th June	Cash - 320,000		
25 June	Cash - 55,000		
June 31	Cash (Pr) 115,000		
	<u>336,000</u>		<u>335,000</u>
	<u>900,000</u>		<u>900,000</u>

Cash Book

Cash Book			
Date	Particulars	office	clerk
20 June	Cash	-	900,000
20 June	Cash	200,000	-
25 June	Cash	50,000	-
		335,000	900,000

Date	Particulars	office	clerk
10 June	Reef ad-1	170,000	-
15 June	Reef ad-1	110,000	-
20 June	Reef		280,000
25 June	Reef		520,000
28 June	Reef		55,000
31 June	Reef CB		45,000
		31,900	35,000
		335,000	900,000

* Private Ledger *

June 31 P&L	H	June 31 Reef	H
	55000		25000

Stevedoring charges - Loading and unloading of cargo called stevedoring charges and should be debited from voyage account.

Bunker cost - cost of water, coal, diesel, fuel, etc used for the purchase of voyage is called bunker cost and may be debited from the voyage account.

ii) Underwriting Commission and overriding commission

Underwriting commission is the commission payable to the underwriter. It may be paid partly in shares and cash, and it is not calculated at a percentage of the promotion underwritten by the total value of the offer while overriding commission is the commission payable to the underwriter in addition to the underwriting commission for placing blocks of the shares offered with its client.

Firm Application and Shares acquired through underwriting

Firm application is an underwriter agrees to buy a certain number of shares / debentures in addition to the shares he has to take under the underwriting agreement while shares acquired through underwriting means with respect to the participant the shares of common stocks purchased by the participant pursuant to its subscription agreement.

Working Note

1) Value of cheque deposited = % underwritten x No of share issued
 Application money
 $= 96\% \times 6,000,000 \times 0.58 = 1,960,800$

No of shares to be taken up by the underwriter

No of share issued 5,000,000

No of share allocated (2,650,000)

No of shares unsubscribed 550,000

\therefore shares to be taken up $(96\% \times 550,000)$ 528,000

Balance due on allotment M

Total amount due :- 355,120

$(0.58 \text{ to } 0.5) \times 301,000$ C

Commission

Cash :- $7\% \times 96\% \times M 6,000,000 = M 561,200$

Share :- $3\% \times 96\% \times M 6,000,000 = M 154,800$

Amount paid on 1st call

501,000 shares @ 0.6 = M 180,600

Amount paid on final call

301,000 shares @ 0.24 = M 72,240