

NAME: IJUNID NDRA ANYALE

MATRIC NO: 18/SMS05/005

SOLUTION 1

PERK UNIT TRUST

STATEMENT OF VALUATION

Month	DESCRIPTION	#
		6000
1	Value / unit	233,750
2.	8,500 First Bank PIC shares @ 27.5	31,750
	Month 1 Balance	<u>265,500</u>
	Value 1 unit (265,500 ÷ 40)	6638
3.	8,500 First Bank PIC shares @ #25	212,500
	16,500 BUA shares @ 1350	222,750
	Month 2 Balance	<u>18,020</u>
	Value 1 unit (453,270 ÷ 40)	453,270
4	8,500 First Bank shares @ #26	221,000
	16,500 BUA shares @ #14	231,000
	58,000 Conoil shares @ 3.70	214,600
	Month 3 Balance	<u>14,296</u>
	Value 1 unit (780,896 ÷ 108) = 7231	780,896
		7231

3 meetings x 4 resigned people = 12  
120 - 12 = 108.

STATEMENT OF FINANCIAL POSITION

Units	Month	Description	#
40	1	Subscriptions: 40 units @ 6000 Purchases: 8500 First Bank PLC shares @ 24.50 Cash Balance	240,000 (208,250) <u>31,750</u>
40	2	Sub: 40 units @ 6638 Purchases: 16,500 BUA shares @ #15 Cash Balances	265,520 (247,500) <u>18,020</u>
36	3	Sub: 36 units @ 11,332 Purchases: 58,000 conoil shares @ 3.5 Refund 8 units @ 11,332	407,952 (203,000) (90,656) <u>114,296</u>
36	4	Sub: 36 units @ 7231 Dividends Cash Balance	260,316 19,000 <u>279,316</u>

Month	Unit Capital	# Bank A/c.	Month	Investment	#
Month 1	240,000		Month 1	Investment	280,250
Month 2	265,520		" 2	"	247,500
" 3	407,952		" 3	"	203,000
" 4	260,316		" 4	Unit Capital	90,656
Month 4	Investment Income 19,000			Bal cld	371,382
	<u>1,192,788</u>				<u>1,192,788</u>

Month	Bank	Investment A/c.	Bal cld
Month 1	280,250		730,750
" 2	247,500		
" 3	203,000		
	<u>730,750</u>		<u>730,750</u>

	Unit Capital	A/c.	
month 4 Bank	90,656	month 1	240,000
Bal old	1083132	" 2	265,520
		" 3	407,952
	<u>1,173,788</u>	" 4	<u>260,316</u>
			<u>1,173,788</u>

	Investment	Income A/c	
Month 4 P or L	<u>19,000</u>	Month 4 Bank	<u>19,000</u>

b. The three key parties in a unit trust are:

1. The Holders
2. The Trustees.
3. The Managers.

1. The Holders: The holders are the owners of the unit trust. They hold the rights to the trust's assets. They contribute funds by paying subscriptions from time to time based on the laid down agreements. They own units in the firm, which is the token of ownership in unit trust. As share and share holder is to a typical company, so is unit owned and unit holder is to a Unit Trust.

2. The Trustees: This is an individual appointed by the unit holders to oversee the unit trust. Trustees are assigned to ensure that the fund manager runs the trust following the fund's investment goals and objectives. The trustee also safeguards the assets of the trust. They could be more than one trustee in a unit trust, in such cases, trustees would work hand in hand, and are all answerable to the unit holders. They are equivalent to the board of directors in a typical firm.

3. The Managers: The manager is similar to a manager in a typical firm, he is employed by the trustee(s) to manage the funds of the unit trust. He must have experience in investment in various kinds of securities, for example a finance expert. The fund manager's job is to act in the interest of unit holders by making the best investment decision with their money.



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2. ABUAD FARMS as

to show changes in Fair Value.  
Statement of Reconciliation as at 31st December, 2019

1st January, 2019

Day Old chicks	1300 x #180	234,000
2 Year old chickens	800 x #3480	2,784,000
Purchases: 6 month old chickens	500 x #1,500	750,000
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		3,768,000
Dead chickens during the year	(100 x 1750)	(210,000)
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		3,558,000
changes in Fair value		3,253,000

31st December, 2019

One year chickens	(1240 x 3000)	3,720,000
One and a half year old chickens	(470 x 3300)	1,551,000
Three year old chickens	(770 x 2000)	1,540,000
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		6,811,000
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STATEMENT OF PROFIT OR LOSS and Other Comprehensive Income.

	₹.	₹
Sales : Farm Produce (Eggs)		6,423,340
Opening Inventory	1,500,000	
Purchases : Feeds	2,096,570	
Insecticide	156,000	
	<u>3,752,570</u>	
COGAS	(1,875,000)	(1,877,570)
Closing Inventory		<del>6,423</del> 4,545,770
GROSS PROFIT		450,960
Miscellaneous Income		<u>3,253,000</u>
Changes in Fair Value		<u>8,249,730</u>
<u>EXPENSES</u>		
Depreciation:		
Farm house	20,000	
Farm Machinery	157,000	
	770,000	
Staff cost	168,000	
Fuel and oil for machines	105,500	
Marketing cost	52,500	
Repairs	77,600	
Insurance	100,800	
Hire of Tractors	175,500	
Bad Debt	<u>292,750</u>	(1,989,650)
Other operating expenses.		<u>6,260,080</u>
Net Profit for the year		

3 a. i. Freight charges. These are the main income collected for the transportation of goods. It is the amount paid to a carrier company for transportation of goods from the point of origin to an agreed location.

ii. Primage: Primage is an additional freight in the form of surcharge on the freight. It is paid to the owner of the ship as extra compensation.

iii. Passage money: This is money collected for a conveyance of a person, with or without luggage on the water.

iv. Stow dories: It is a manual labourer or a person employed at a dock to load and unload ships.

Stow doring charges: are <sup>money paid for</sup> loading and unloading of cargo.

v. Bunker cost: This is the cost of water, coal, diesel, fuel etc used for the purpose of voyage.

3b. Dr 1 clients ledger (BEEF) Cr.

Date	Particulars	Office	Client	Date	Particulars	Office	Client
10th June	Cash advance	170,000	-	20th June	Cash	-	900,000
15th June	Cash advance	110,000	-	20th June	Cash	280,000	-
20th June	Cash	-	280,000	25th June	Cash	55,000	-
25th June	Cash	-	520,000				
25th June	Cash	-	55,000				
June 31	Cash (BR)	-	45,000				
June 31	Private ledger	55,000	<del>55,000</del>			335,000	900,000
		335,000	900,000				

CASH BOOK.

Date	Particulars	Office	Client	Date	Particulars	Office	Client
20th June	Cash	-	900,000	10th June	Beef advance	170,000	-
20th June	Cash	280,000	-	15th June	Beef advance	110,000	-
25th June	Cash	55,000	-	20th June	Beef	-	280,000
				25th June	Beef	-	520,000
				25th June	Beef	-	55,000
				31st June	Beef (BR)	-	45,000
				31st June	Bal c/d	55,000	-
		335,000	900,000			335,000	900,000

PRIVATE LEDGER.

June 31	P OR L	55,000	June 31	Beef	25,000
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#### 4 b: Underwriting Commission and Overriding Commission.

Underwriting Commission: This is the commission payable to the underwriter. It may be paid partly in cash and partly in shares and is normally calculated as a percentage of the proportion underwritten. The % underwritten is the % underwritten multiplied 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. This is brokerage payable to the underwriter for finding subscribers for some of the shares offered.

#### ii. Firm Application and shares acquired through underwriting

Firm Application refers to the shares applied for by the underwriter, which are not allotted to the public. These shares are allotted to the underwriter irrespective of the outcome of the offer while

share acquired through underwriting. is with respect to the participants, it is the shares of common stock purchased by the participants pursuant to its subscription agreement.

Statement of Financial Position for the year ended 31st December, 2019

<u>Non Current Assets</u>	<u>COST</u> R	<u>ACC DEP</u> R	<u>CARRYING VALUE</u> R
Biological Assets			
Land	1,256,718.50		1,256,718.50
Farm house	27,850,000	(288,900)	27,561,100
Farm Machinery	13,290,750	(486,250)	12,804,500

Current Assets

Bank and Cash  
Inventory  
Receivables

Equity and Liabilities

Capital  
Add Net Profit

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Drawings

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Non Current liabilities

Loan  
Current liabilities  
Payables

4a

# Underwriting Account

Salvador Finance  
 Ordinary Shares of Bonecrusher Ltd Bonecrusher

	No of Shares	Value		No of Shares	Value
2018	-	1,966,800	1513 Bank Commission	-	361,200
1/3 Bank	301,000	114,360			
1513 Bank			Bal etc		
1513 Shares in Salvador Ltd Commission	154,800		1015 Bank (Sales Proceeds)	250,000	237,500
30/4 Bank	-	180,600			
30/5 Bank	-	12,240			
31/5 Profit on sale of stocks	-	142,900			
	455,800	2,479,900			
1/6 Bal b/d					
Bal b/d	455,800	2,109,720			