

"Primage - It is an additional freight in - tu form of surcharge on the freight.

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

"Bunker cost: Cost of water, coal, diesel, fuel, etc. used for the purpose of voyage is called Bunker cost and may be debited from the voyage account."

Client's ledger (Beef)							
Dr				Cr			
Date	Particulars	Office	Client	Date	Particulars	Office	Client
10 June	Cash advan	170,000	-	20 June	Cash	-	700,000
15 June	Cash advan	110,000	-	20 June	Cash	280,000	-
20 June	Cash	-	280,000	25 June	Cash	55,000	-
25 June	Cash	-	520,000				
30 June	Cash	-	59,000				
31 June	Cash (BR)	-	45,000				
31 June	Private ledger	55,000	-				
		335,000	900,000			335,000	900,000

Cash Book							
Dr				Cr			
Date	Particulars	Office	Client	Date	Particulars	Office	Client
20 June	Cash	-	700,000	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
				30 June	Beef		59,000
				31 June	Beef (BR)		45,000
				31 June	Bal c/d	55,000	
		335,000	900,000			335,000	900,000

Private ledger			
Dr		Cr	
Date	Particulars	Date	Particulars
June 31	Per L	June 31	Beef
	55,000		55,000

Matric No: 1812ms021022

Course: ACC 206 Accounting for specialized businesses -

Department: Accounting.

Working Note.

4. Value of cheque deposited =  $\frac{\text{No. underwritten} \times \text{No. of share issued} \times \text{Application money}}{\text{Total shares}}$

$$= 86\% \times \frac{6,000,000}{1,000,000} \times 0.33 = 980,400 \quad 1,960,800$$

ii No of shares to be taken up by the underwriter.

No of shares issued

3,000,000

No of shares allotted

(2,650,000)

No of shares unsubscribed.

350,000

∴ Shares to be taken up  $(86\% \times 350,000)$

301,000

iii Balance Due on allotment

Total amount Due

355,180

$(0.33 + 0.8) \times 301,000$

iv Commission

Cash:  $7\% \times 86\% \times \text{R}6,000,000 = \text{R}361,200$

Shares:  $3\% \times 86\% \times \text{R}6,000,000 = \text{R}154,800$

v Amount paid on 1st call

301,000 shares @ 0.6 = R180,600

vi Amount paid on final call

301,000 shares @ 0.24 = R72,240

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 Matric No: 181370021022  
 Course: ACC 206  
 Department: Accounting

Perk Unit Trust  
 Statement of valuation

Month	Description	#
1	Value/unit	6,000
2	8500 first bank shares @ #27.50	233,750
	Month 1 Bank Balance	31,750
		265,500
	Value/unit (265,500 / 40)	6638
3	8500 First Bank shares @ #25	212,500
	16,500 BUA shares @ 13.50	222,750
	Month 2 Balance	18,020
		453,270
	Value/unit (453,270 / 40)	11,332
4	8,500 First Bank shares @ #26	221,000
	16,500 BUA shares @ #14	231,000
	58,000 Council shares @ #3.70	214,600
	Month 3 Balance	114,296
		780,896
	Value/unit (780,896 / 108) = 7231	7231

3 meeting x 4 resigned people = 12  
 120 - 12 = 108

State of Financial Position

units	Month	Description	#
40	1	Subscriptions 140 units @ 6,000	240,000
		Purchases: 8,500 first Bank shares @ 27.5	233,750
		Cash balance	31,750
			265,500
40	2	Sub: 40 units @ 6638	(247,500)
		Purchases: 16,500 BUA shares @ #15	247,500
		Cash balance	18,020

Underwriting Commission, it is the commission payable to the underwriter, it could be paid partly in cash and partly in shares and it is normally calculated as a percentage of the proportion underwritten. Whether the shares are taken up by the public or not it is paid regardless. It is not dependent on the number of shares actually taken up by the public.

Overriding Commission is the commission payable to the underwriter in addition to the underwriting commission, for placing blocks of shares offered with its clients. It is paid to the underwriter for finding subscribers for some of the shares.

They are however similar because they are both paid to the underwriter by the company they are underwriting.

ii) Firm application, they are the shares applied for by the underwriter, which are not to be allotted to the public. These shares are allotted to the underwriter irrespective of the outcome of the share offer.

Shares acquired through underwriting, they are shares not fully subscribed. The underwriter is bound to take up the number of shares that is obtained by multiplying the percentage underwritten by the number of shares not taken up by the public.

### Firm Application -

1 Not based on percentage underwritten.

2 The number of shares to be allotted on firm application is fixed per the underwriting contract.

3 Freight charges. They

are the main source of income collected against the transportation of goods.

### Shares acquired through underwriting

Based on percentage underwritten

Number of shares to be taken up by the underwriter depends on the number of shares not taken up by the public.

ii) Passage money. It is the money collected from the passengers, in case it is passengers' vessel.

ii) The managers, (iii) The trustees (iii) The holders.

The manager is an individual employed by the trustees to manage the funds of unit trust. He will usually be someone with experience in investment in various kinds of securities (for example an investment banker). And 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 is an individual appointed by the unit holders to oversee the unit trust. He has oversight responsibility over the activities and decisions of the manager. While he is not the owner of the funds generated by the unit trust, he has been appointed to oversee the utilization and performance of the funds.

Unit holders: They are the owners of the unit trust. They contribute funds by <sup>paying</sup> ~~buying~~ subscription from time to time based on laid down agreements. They own units in the organization and a unit is the token of ownership in a unit trust. The units controlled by a holder signify how much of the unit they control.

## ABUD FARMS.

Statement of Reconciliation to show changes in fair value as at 31st Dec, 2019

		K
1st January 2019		K
Day old ch. chicks	1300 x K180	234,000
2 year old chickens	800 x K3480	2,784,000
5 <sup>Purchased</sup> month old chicken	500 x K1500	750,000
		<u>3,768,000</u>
Dead chickens during the year (120 x 1750)		<u>(210,000)</u>
		3,558,000

Finance Miscellaneous

Amount paid to date  
(301,000 @)

A

A

535.

Salvation <sup>Finance</sup> ~~Benefactor~~ Limited.

Underwriting <sup>\*k</sup> (Ordinary shares of Benefactor Limited)

Date 2018	No of shares	Value (Rs)	Date 2019	No of shares	Values
1/3 Bank	301,000	1,960,800	15/3 Bank (commission)	-	361,200
15/3 Bank	301,000	-	10/5 Bank (Sales proceeds)	250,000	237,500
15/3 <sup>Share in Benefactor Ltd</sup> State Commission	154,800	-	31/5 Bal c/d	.	.
30/4 Bank	-	180,600			
10/5 Profit on sales					
31/5 Bank	-	12,240			

Bank \*c

Underwriting	361,200	Underwriting	1,960,800
		Underwriting	180,600
		Underwriting	12,240
		Underw	

36	f	Sub. 36 unit @ 7231	114,296
		Dividends	260,316
		Cash Balance.	19000
			279,316

Bank A/c					
Month 1	Unit capital	270,000	Month 1	Investment	280,250
Month 2	Unit capital	260,520	Month 2	Investment	217,500
Month 3	Unit capital	407,952	Month 3	Investment	203,000
Month 4	Unit capital	260,316	Month 4	Unit capital	90,656
Month 4	Invest Income.	19,000	Bal c/d		371,332
		<u>1,192,788</u>			<u>1,192,788</u>

Investment A/c				
Month 1	Bank	280,250	Bal c/d	730,750
Month 2	Bank	217,500		
Month 3	Bank	203,000		
		<u>730,750</u>		<u>730,750</u>

Unit Capital A/c					
Month 1	Bank	90,656	Month 1	Bank	270,000
	Bal c/d	1,083,132	Month 2	Bank	260,520
			Month 3	Bank	407,952
			Month 4	Bank	260,316
		<u>1,173,788</u>			<u>1,173,788</u>

Investment Income A/c					
Month 4	Por C	19,000	Month 4	Bank	19,000

## Statement of profit or loss and other comprehensive income.

	₹	₹
Sales: Farm produce (eggs)		6,123,310
(Opening inventory)	1,500,000	
Purchases: Feeds:	2,096,570	
Insecticides	156,000	
<b>COGS</b>	<b>3,752,570</b>	
Closing inventory:	(1,875,000)	(1,877,570)
Gross profit		4,545,770
Miscellaneous income		150,960
Changes in fair value.		3,253,600
		<b>8,249,730</b>
<b>Expenses</b>		
<b>Depreciation:</b>		
Farm house	90,000	
Farm machinery	157,000	
Staff cost	790,000	
Fuel and oil for machines	168,000	
Marketing cost	105,500	
Repairs	52,500	
Insurance	77,600	
Hire of tractor	110,800	
Bad debts	175,500	
Other operating Expenses	292,750	(1,989,650)
<b>Net profit for the year</b>		<b>6,260,080</b>