

Month	Description	₹
1	Value unit	6000
2	8500 @ 27.50	233,750
	Month 1 Balance	311,750
		<hr/>
	Value unit (271,500/40)	271,500
		6787
3	8,500 @ ₹25	212,500
	16,500 @ 25 13.50	(222,750)
	Month 2 Cash Balance	<hr/>
		(35,000) 18,020
		23,980
		<hr/>
	Value unit (453,270/40)	(41,020) 433,270
		11,332
4	2,500 First Bank shares @ ₹26	221,000
	16,500 BVA shares @ ₹14	231,000
	58,000 Conoil shares @ ₹3.70	214,600
	Month 3 Balance	714,296
	Value unit 780,296 / 108723	7231

Statement of financial position

Unit	Month	Description	₹
40	1 1	Subscriptions: 40 units @ 6000	240,000
		Purchases: 8,500 @ 27.50	(208,250)
		Cash Balance	<hr/>
			31,750
40	2	Subscriptions 40 units @ 6,727	271,480
		Purchases: 16,500 @ ₹15	(247,500)
		Cash Balance	<hr/>
			28,980
36	3	Sub: 36 unit @ 11,332	407,952
		Purchases: 58,000 Conoil shares @ ₹: 3.5	(203,000)
		Refund 8 units @ 11,332	(90,656)
			<hr/>
36	4	Sub: 36 unit @ 7,231	114,296
		Dividends	260,316
		Cash Balance	<hr/>
			14,000
			<hr/>
			279,316

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Other
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- (b) Unit holder, trustee and Manager
- (i) The trustee is an individual appointed by the unit holders to oversee the unit trust
 - (ii) Unit holders are the owners of the unit trust.
 - (iii) Manager is an individual employed by the trustee to manage the funds of the unit trust

(2) A buad farms
Statement of Profit or Loss and other Comprehensive income for the year ended 31/12/19

Sales: Farm produce (egg)	2,096,570	6,423,340
Purchases: Feeds	1,561,000	(2,252,520)
Insecticide		4,170,770
Gross Profit	2,252,570	4,551,900
Miscellaneous income		
Fuel & oil for machines		4,624,730
<u>Expenses</u>		
Biological Assets	1,500,000	
land	3,810,000	
farm house	12,567,250	
Farm machinery	27,250,000	
Accumulated depreciation farm		
House machine		192,900

① Abolished farm
 Statement of Profit or Loss and
 other comprehensive income for the
 year ended 31/12/19

SALES: Farm produce		6,423,840
Purchases: feeds	2,046,570	
Insecticide	156,000	
Fuel & oil for machines	68,000	
Marketing cost	<u>69,500</u>	252,600
Gross Profit		3,897,270
Miscellaneous income		<u>450,960</u>
		3,446,310

Expenses

Accumulated Depreciation: farm house		142,900
machine		325,500
Biological Assets	1,500,000	
Land	3,800,000	
Farm house	12,562,850	
Farm machinery	27,850,000	
Repairs	52,500	
Insurance	77,600	
Hire of tractors	100,800	
Bad debt	175,500	
Other operating Expenses	<u>292,750</u>	(464,200)
		<u>(424,200)</u>

Statement of changes in fair value

Jan 1 1300 day old chicks @ ₦170 each	2340
Jan 1 800 2 year olds @ ₦3480 each	2784
Jan 1 500 6 month olds @ ₦1500 each	<u>750</u>
Chickens (120 @ ₦1750)	376800
Change in fair value	<u>(21000)</u>
	355800
	<u>37440</u>

Jan 31 one year old (1240 @ A3000) 3720
 Jan 31 3 year olds (1770 @ A2000) 3540
 Jan 31 1 and a half year old (570 @ A3300) 18810
 2302

Question Four

Salvation Finance Limited

underwriting A/c (Ordinary Shares of Borecrushopt)

Date		No of Shares	Value #	Date	No of Shares	Value (A)
1/3/18	Bank		1,460,800			

working 5

① Cheque Deposited
 = % undertaken + no of shares
 + application money
 = 86% × 6,000,000 + 0.38
 = 1,460,800

② Commission (underwriting Commission)
 = % underwritten + (No of shares + Price of each shares)
 cash = 7% + 86% + 6,000,000
 = 361,200
 shares = 3% + 86% + 6,000,000
 = 151,200

- 39) Freight = Freight charges are the main income collected against the transportation of the goods.
- 10) Passage money = Passage money is collected from the passengers in case it is passenger vessel.
- 11) Primage : Primage is an additional freight in the form of surcharge on the freight.
- 12) Stowage Charges : Loading and unloading of cargo called stowage charges and should be debited from the voyage account.
- 13) Bunker cost : cost of water, coal, diesel, fuel, etc. used for the purpose of voyage is called bunker cost and may be debited from voyage account.

30) Dr Clients Ledger (Beef) CR

Date	Particular	Office	Client	Date	Particular	Office	Client
10 Jun	Cash advance	170,000		20 June	Cash	-	900,000
15 Jun	Cash advance	110,000		20 June	Cash	220,000	
20 June	Cash	-	220,000	25 June	Cash	55,000	
25 June	Cash	-	520,000				
25 June	Cash (BR)	45,000					
June 31	Private ledger	55,000	-				
		335,000	909,000			335,000	909,000

Cash Book

11/11/2024

Date	Particular	office	Client
20 June	Cash	—	900,000
20 June	Cash	280,000	
25 June	Cash	55,000	
		335,000	900,000

Date	Particular	office	Client
10 June	Beef	Adv	170,000
15 June	Beef	adv	110,000
20 June	Beef		18,000
25 June	Beef		520,000
25 June	Beef		55,000
31 June	Beef	CR	45,000
31 June	Bal	1/d	55,000
		335,000	900,000

Private		Ledger	
June 31	Dr	June 31	Beef
	55,000		25,000

(b) ~~Compare~~ Underwriting Commission and Overriding Commission

Underwriting Commission is the Commission payable to the underwriter. It may be paid partly in shares and partly in cash while Overriding Commission is a Commission payable to the underwriter in addition to underwriting Commission, for placing blocks of the shares offer with its client.

(i) Firm application and shares acquired through underwriting

Firm application refers to the shares applied for by the underwriter, which are not to be allotted to the public while underwriting. When a company intends to raise funds by offering its shares to the public but there is a risk that those shares will not be fully subscribed which makes them to enter into contract with an underwriter.