

NAME: KEME EFIEREMI HAPPINESS

LEVEL: 200

MATRIC NO: 181SMS021031

COURSE CODE: NCC 206

QUESTION 4

(1b) The managers:

The managers are employed to manage funds of the unit-trust. He/she is to seek for the best investment opportunities as time goes on, to yield the best returns for the funds he is to manage.

The trustees:

They are to oversee the unit-trust. He is to oversee the activities and decisions of the manager. He is to oversee the utilization and performance of the funds too.

Holders:

The unit holders contribute funds by paying subscriptions from time to time based on laid down agreements.

QUESTION 2.

Statement of reconciliation showing the changes in fair value during the year 2019.

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2019	
Jan 1st 1300 day old chicks @ 180 each	234,000
Jan 1st 800 2 year old chickens @ 3,480 each	2,784,000
July 1st 500 6 month old chickens @ 1,500 each	750,000
	<u>3,768,000</u>
Dead chickens during the year (120 x 1,750)	(210,000)
	<u>3,558,000</u>
changes in fair value	3,25,000
31st december 1 year old chickens (1300-60 = 1240 x 3000)	3,720,000
31st december 1 1/2 year old chickens (800-30 = 770 x 3300)	1,551,000
31st december 3 year old chickens (800-30 = 770 x 2000)	1,540,000
	<u>6,811,000</u>

Flock of chicken

		R			R
1/1/19	bal b/f	3,068,000	31/12/19	loss of chickens	210,000
1/1/19	cash	150,000	31/12/19	bal c/d	6,601,000
31/12/19	P/L	3,253,000			
		<u>6,811,000</u>			<u>6,811,000</u>
1/1/20	bal b/f	6,601,000			

Statement of profit or loss for the year ended 31/12/19

	R	R	R
Sales of farm produce		1,500,000	
Opening inventory			6,423,340
Purchases: Feeds	2,096,570		
Insecticide	156,000	<u>2,252,570</u>	
Cost of goods available for sale		2,610,770	
Closing inventory		1,875,000	(4,543,770)
Gross profit			<u>1,879,570</u>
Miscellaneous income		450,960	
Changes in fair value		<u>3253,000</u>	<u>3,973,960</u>
Expenses			3,973,960
Depreciation: Farm house	90,000		5,551,530
Farm machinery	157,000		
Staff cost	770,000		
Marketing cost	105,500		
Fuel and oil for machines	168,000		

② Repairs	A	52,500	
Insurance		77,600	
Hire of tractors		100,800	
Bad debt		175,500	
Other operating expenses		<u>212,750</u>	(1989050)
			<u>3802480</u>

QUESTION 3

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Freight charges:

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

ii) Passage money

Passage money is collected from the passengers, in case it is Passengers vessel.

iii) Primage

- Primage is ~~an~~ ^{an} additional freight in the form of surcharge on the freight

iv) Stevedores

A person employed at the dock to load and unload ships.

v) Bunker cost

This is the cost of water, coal diesel, fuel etc. used for the purpose of voyage. It may be debited from the voyage account.

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Client's ledger (Beef)

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Date	Particular	office	client	Date	particular	office	client
10 June	cash advance	170,000		20 June	cash	-	900,000
15 June	cash advance	110,000		20 June	cash	280,000	
20 June	cash	-	280,000	25 June	cash	55,000	
25 June	cash	-	520,000				
25 June	cash	-	55,000				
31 June	cash (BR)		45,000				
31 June	Private ledger	55,000	-				
		335,000	900,000			335,000	900,000

Cash Book

Date	Particular	office	clients	Date	particular	office	client
20 June	cash	-	900,000	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
				25 June	Beef		55,000
				31 June	Beef (BR)		45,000
				31 June	bal fd	55,000	
						335,000	900,000

(3)

Private Ledger

June 31	Pork	55,000	June 31	Beef	25,000
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QUESTION 4

b.

i) Underwriting commission

It is the commission payable to the underwriter. It may be paid partly in shares and partly in cash and it is normally calculated as a percentage of the proportion underwritten.

Overriding Commission

It is also payable to the underwriter in addition to the underwriting commission for placing block of shares offered with its clients

ii Firm application

- The number of shares to be allotted in firm application is fixed per the underwriting contract

- Not based on percentage underwritten

Shares acquired through underwriting

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

- Based on percentage underwritten