The holders: ~~They are~~ the owner of the unit trust. They [illegible] units

1b The manager: is an individual employed by the trustees to manage the funds of the unit trust. He will usually be someone with experience in investment in various ~~kinds~~ kinds of securities (for example an investment banker, a stock trader, a finance expert e.t.c.). He is the equivalent of a manager in any typical firm. It is possible to have multiple managers

The holders: Unit holders are the owner of the unit trust. They contribute funds by paying subscription from time to time on laid down aggrements. They own units in the organisation and a unit is the token of ownership in a unit trust.

The trustees: he is an individual appointed by the unit holder 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 ~~There~~ generated by the the unit trust, he has ~~been~~ appointed to oversee the utilisation and performance of the funds.

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(1)

Perk Unit Trust

Statement of Valuation

Month	Description	₦
1	Value/unit	6,000
2	8,500 First bank Shares @ ₦27.50	233,750
	Month 1 Balance	31,750
		265,500
	Value/unit (265,500/40)	6638
3	8,500 First Bank Shares @ ₦25	212,500
	16,500 BUA shares @ 1350	222,750
	Month 2 Balance	18,020
		453,270
	Value/Unit (453,270/40)	11,332
4	8,500 First bank share @ ₦26	221,000
	16,500 BuA Share @ ₦14	231,000
	58,000 Conoil shares @ 3.70	214,600
	Month 3 Balance	114,296
		780,896
	Value/unit (780,896/108)	7231

3 meeting × 4 presigned people = 12

120 − 12 = 108

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(b) Statement of financial position

Units	Month	Description	₦
40	1	Subscription: 40 units @ 6,000	240,000
		Purchases: 8,500 First bank shares @ 24.5	(208,250)
		Cash balance	31,750
40	2	Subscription: 40 units @ 6638	265,[illegible]
		Purchases: 16,500 BUA shares @ ₦15	(247,500)
		Cash Balance	18,020
36	3	Sub: 36 units @ 11,332	407,952
		Purchases: 58,000 Conoil shares @ ₦3.5	(203,000)
		Refund 8 units @ 11,332	(90,656)
			114,296
36	4	Subscription: 36 units @ 7231	260,316
		[illegible] Dividends	19,000
		Cash Balance	276,316

Aladegbemi Monsuntade

2(a)

ABUAD FARMS

Statement of Reconciliation to show changes in the fair value as at 31s December, 2019.

		₦
1st January, 2019:		
Day old chicks	1300 X ₦180	234,000
2 year old chickens	800 X ₦3480	2,784,000
Purchase:		
6 months old chickens	500 X ₦1500	750,000
		3,768,000
Dead chickens during the year (120 X 1750)		(210,000)
		3,558,000
Changes in fair value		3,253,000
31st December, 2019		
One year chickens (1240 X 3,000)		3,720,000
One an a half year old chicken (470 X 3300)		1,551,000
Three year old chickens (770 X 2000)		1,540,000
		6,811,000

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Flock of chickens

1/1/19	bal b/f	3,068,000	31/12/19	loss of chickens	210,000
1/1/19	Cash	750,000	31/12/19	Bal c/d	6,601,000
31/12/19	P/L	3,253,000			
		6,811,000			6,811,000
		6,601,000			

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~~Aladegbe~~

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2 continuation

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	
Cost of goods available for sales	3,752,570	
Closing inventory	(1,875,000)	(1,877,570)
Gross profit		4,545,770
Miscellaneous Income		450,960
Changes in fair value		3,253,000
		8,249,730
Expenses:		
Depreciation:		
Farm house	90,000	
Farm machinery	157,000	
Staff cost	770,000	
Fuel and oil for machines	168,000	
Marketing cost	105,000	
Repairs	52,500	
Insurance	77,600	
Hire of tractors	100,800	
Bad debt	175,500	
Other operating expenses	292,150	
Net profit for the year		(1,989,650)
		6,260,080

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(3)

Clients Ledger (Beef)

Dr | Cr

Date	Particular	office	client
10 June	Cash advance	170,000	
15 June	Cash adv	110,000	
20 June	Cash	–	280,000
25 June	Cash	–	520,000
June 31	Cash (BR)		45,000
June 31	Private Ledger	55,000	–
		335,000	900,000

Date	Particular	office	client
20 June	Cash	–	900,000
20 June	Cash	280,000	
25 June	Cash	55,000	
		335,000	900,000

Cash Book

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		280,000
25 June	Beef		520,000
25 June	Beef (Balance remitted)		55,000
31 June	Beef (BR)		45,000
31 June	Bal c/d	55,000	
		335,000	900,000

Private Ledger

Dr | Cr

		₦			₦
June 31	Profit or loss	55,000	June 31	Beef	25,000
June					

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Name:- Aladegbemi Morohunfade
Matric No:- 18/SMS02/010
Course Code:- ACC206 (Accounting specialised businesses)
TEST

(1) (1b)

i The manager
ii The trustees
iii The holders

(3a)

(i) Freight charges: are the main income collected against the transportation of the goods, they are also known as freight rate and it is calculated based on the type of mode of transportation.

(ii) Passage money:- Passage money is collected from the passengers, in case it is passengers vessel. It is the fare of a passenger by sea.

(iii) Primage:- It is an additional freight in the form of surcharge on the freight. It is a small allowance formerly paid by a shipper to the master and crew of a vessel for the loading and care of goods.

(iv) Stevedores:- It is a type of charge, It is the loading and Unloading of cargo is called Stevedoring charges and should be debited from the voyage account.

(v) Bunker cost:- It is the cost of water, coal, diesel, fuel e.t.c. Used for the purpose of voyage is called bunker cost and may be debited from the voyage account.

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4

Value of cheque deposited = % underwritten × No of share issued × Application money

= 86% × 6,000,000 × 0.38 = 1,960,800

No of shares to be taken up by the underwriter.

No of shares issued	3,000,000
No of shares alloted	(2,650,000)
No of shares unsubscribed	350,000
∴ Shares to be taken up (86% × 350,000)	301,000

Balance Due on allotment	₦
Total amount due	355,180
(0.38 + 0.8) × 301,000	

Commission

Cash: 7% × 86% × ₦6,000,000 = ₦361,200

Shares: 3% × 86% × ₦6,000,000 = ₦154,800

Amount paid on 1st call

301,000 shares @ 0.6 = ₦180,600

Amount paid on final call

301,000 shares @ 0.24 = ₦72,240

Profit on sales of share	₦	₦
Sales proceed (250,000 shares @ 0.95)		237,000
Cost of shares:		

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1b

i Underwriting Commission and Overriding

Underwriting Commission is the commission payable to the underwriter it may be payed partly in shares and cash and it is not calculated at a percentage of the promotion underwritten by the total value of the offer.

Overriding Commission is the commission payable to the Underwriter in addition to the underwriting commission for placing blocks ~~of~~ of the shares offered with its clients.

(ii) 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 ~~agre~~ agreement

Shares acquired through underwriting

File application

The number of shares to be all alloted by firm application is fixed per the underwriting contract.

While 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.

File application

Not based on percentage underwritten

While Shares acquired through underwriting

Based on percentage underwritten.

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Bank A/c

		₦			₦
Month 1	Unit capital	240,000	Month 1	Investment	280,000
" 2	Unit capital	265,520	" 2	Investment	247,500
" 3	Unit Capital	407,952	" 3	Investment	203,000
" 4	Unit capital	269,316	" 4	Unit Capital	90,656
" 4	Invest Income	19,000	Bal c/d		371,382
		1,192,788			1,192,788

Investment A/c

		₦		₦
Month 1	Bank	280,250	Bal c/d	730,750
" 2	Bank	247,500		
" 3	Bank	203,000		
		730,750		730,750

Unit capital A/c

		₦			₦
Month 4	Bank	90,656	Month 1	Bank	240,000
	Bal c/d	4,083,132	Month 2	Bank	265,520
			3	Bank	407,952
			4	Bank	269,316
		1,173,788			1,173,788

Investment Income A/c A/c

		₦			₦
Month 4	P or L	19,000	Month 4	Bank	19,000

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