

4.8.20

Specialised Accounts.

B. Com Part II

Chapter Amalgamation Example - (18)
Dr. S.M. Shukla

Numerical.

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Question.

Divya oil Mills Limited go in to voluntary liquidation. A new Company Ganesh oil Mills Limited was formed to acquire the assets of Divya oil Limited on 31 March 2014. The assets and liabilities of Divya oil Mills Limited were as follows:
 Assets:
 - Current Assets Rs 40,000
 - Wares and other properties Rs 3,60,000
 - Liabilities Rs 80,000
 - Paid up Capital Rs 4,00,000
 The assets were sold to a new company for Rs 2,88,000, Rs 2,00,000 payable in share of 1 each, 8 credited with 75 paise per share paid up and 88,000 in cash. Divya oil Mills Limited paid the liabilities and cost of liquidation. Pass the journal entries in the book of Divya oil Mills Limited.

Aus.

Opening Balance sheet of Divy9 oil Mills Limited

Particulars	Rs.	Amount
Share holders fund:-		
Share Capital		4,00,000
Statement of P.S. (Real figure)		(80,000)
Current Liabilities		80,000
		<hr/> 4,00,000
Assets		
Non current Assets		3,60,000
Fixed Assets		40,000
Current Assets		<hr/> 400,000

Journal entries in the books of Divy9 oil Mills Limited.

Date	Particulars	Dr	Cr
	Realisation a/c		4,00,000
	To work and other property		3,60,000
	" Current Assets		40,000
	(Being Assets Transferred to Realisation a/c)		
	Ganesh oil Mills Limited a/c	2,88,000	
	To Realisation a/c		2,88,000
	(Being sales price less)		
	Share in Ganesh Limited a/c	2,00,000	
	To Bank a/c		88,000
	(Being purchase price paid)		
	To Ganesh oil Mills Limited		2,88,000

P.S. 13000
 20000
 40000
 2,50,000

Realisation a/c dr 8000
 to Bank a/c → 8000
 (Being cost of liquidation)

Shareholder ~~a/c~~ a/c dr 120000
 to Realisation a/c 120000
 (Being loss on Realisation transferred to shareholders account)

Current liabilities a/c dr 80000
 to Bank a/c 80000
 (Being payment of current liabilities)

Share capital a/c dr 400000
 to Shareholder a/c 400000
 (Being transfer of share capital to Shareholder a/c)

Shareholder a/c dr 80000
 to P/L a/c 80000
 (Being loss transferred to Shareholder a/c)

Shareholder a/c dr 2,00,000
 to Share in Ganesh oil Mills a/c 2,00,000
 (Being purchase price paid in share by Ganesh oil Mills limited)