

22.9.20

Specialised Accounts.  
B. Com Part II

Chapter. Reconstitutions.  
Numerical examples (6) s.m. shyalg.

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Question.

Following is the Balance sheet of  
A Company Limited.

Particulars	Amount ₹
<b>I Equity &amp; Liabilities</b>	
20000, 10% Preference Share Capital	2,00,000
2000 equity share capital of 100 each.	2,00,000
Reserve and Surplus	
Statement of Profit & Loss (90,000)	
<b>Current Liabilities:</b>	
Trade Payables	30,000
	<u>3,40,000</u>
<b>II Assets - Non</b>	
<b>Current Assets:</b>	
Fixed Assets:	
Tangible Assets	1,80,000
Other Fixed Assets	50,000
Intangible Assets	50,000
Goodwill	60,000
<b>Current Assets:</b>	
Share	
Trade Receivable	
	<u>3,40,000</u>

The following resolutions were passed and the Scheme was duly approved by the Tribunal.

- (i) equity share of 100 each be reduced to fully paid up share of 50 each.
- (ii) 10% Preference share of 10 each be reduced to 10% Preference share of 6 each fully paid up.
- (iii) goodwill and debit P&L should be written off.
- (iv) the balance of the amount be used to write off other Fixed Assets.

Give Journal entries and prepare revised Balance Sheet and also Capital Reduction Account.

Ahs.

Journal Entries

Particulars	Dr	Cr
100 equity share		
Capital	2 00 000	
TO Rs 50 equity share		100 000
" Capital Reduction		1 00 000
(Being Rs 100 equity share reduced to 50 per share)		
10, 10% Preference share	2 00 000	
TO 6, 10% Pref Share		1 20 000
" Capital Reduction		80 000
(Being 10 Pref Share reduced to 6 per share fully paid)		
Capital Reduction A/c	1 80 000	
TO Goodwill		50 000
" Statement of P/L		90 000
" Fixed Assets		40 000
(Being following Assets written off)		

Capital Reduction a/c.

TO Goodwill	50 000	By Rs 100 equity share Capital	1 00 000
" P/L - Rs	90 000	" Rs 6 10 Pref Share Capital	80 000
" Fixed Assets	40 000		
			1
			<u>1 80 000</u>
	<u>1 80 000</u>		

Balance Sheet of A Limited.  
Particulars Amount

I. Equity & Liabilities:  
Shareholders Fund.  
Share Capital:

20000, 10% Preference share	120000
2000 equity share of 50 each fully paid	100000
Current Liabilities - Trade Payables:	30000
	250000

II. Assets:-

Non-current assets (70000 - 60000)	140000
Current Assets:-	
Stock -	50000
Trade Receivable.	60000
	250000