

17.8.20

Specialised Accounts
B. Com Part II
Chapter Liquidation.

numerical example. (7) S.M. Shankar
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Question.

On 01 March 2014 the date of liquidation of a company, its balance sheet was as under. Prepare final account of liquidation.

Particulars.	Amount
1. Equity & Liabilities	
Shareholders Fund:	
Share Capital:	
3000 equity 7% pref share.	1,50,000
8 paid up.	24,000
1500. equity shares 10 each 7% paid up.	10,500
Non-current Liabilities:	
6% debenture of 100 each	6,00,000
Current Liabilities:	
Trade Payables:	4,000
credit	1,000
Outstanding B/P	36,000
	<u>8,25,500</u>
Assets:	
Non current Assets	
Fixed Assets:	
Tangible Assets:	2,00,000
Building.	40,000
Machine	2,00,000
Current Assets:	
Stores BTR	3,20,000
Cash & Cash equivalents	25,500
	<u>8,25,500</u>

Realised on Assets: Building 175 000
Machine - 100 000, Debtors - 3 00 000
Stocks - 230 500 Liquidation expenses 100

Remuneration of Liquidator: $\frac{1}{2}\%$ on realisation
of Assets including cash and $\frac{2}{1}\%$ on the
Amount paid to unsecured Creditors.

Creditors shown in the balance sheet
included Rs 1000 Preferential creditor; Interest
on Debenture is to be paid only up to 31/12/2014.
Dividend on preference share is in

Arrear for $1\frac{1}{2}$ years. The Arrears of dividend
should be paid before payment of capital to
equity shareholders as per Articles of Association.
Legal charge are 500. According to Article of
Association at the time of winding up disparity
among equity shareholders (if any) will
be removed first at the time of
repayment of capital.

Ans.

Liquidators Final Statement of Assets

Receipt -	Estimated value	Realised value	Payments	Rs
Assets -				
Cash & Cash Equivalents	25500	25500	Legal Charge -	500
Trade Receivables	320000	300000	Remuneration $\frac{1}{2}\%$ @ 31000	4155
Stocks -	200000	230500	10% @ 5000	500
Buildings	200000	175000	Cost of Liquidation	1000
Machinery -	80000	100000	Debitum -	642000
			Creditum -	5000
			Return to Shareholders	
			7% Preference Sh	150000
			Dividend 400	15750
			Equty Sharehold	
			3000 Equty Sh @ 3.121	9363
			1500 Equty Sh @ 2.121	3182
			Total	831000
	<u>828500</u>	<u>331000</u>		