

30.5.20


Specialised Accounts.
B.Com Part II
By Dr. S.W. Pathak

Question.

Funny Fashion Limited went into voluntary liquidation on 1 Jan 2019. The liquidator is to be paid remuneration at 3% on the amount realised on sale of assets and 2% on amount distributed to shareholders. The liquidator sold out all the assets of the company. On 1 Jan 2019, the company position was as under.

Cash realised on sale of assets -	7,02,000
Liquidation expenses -	12,600
creditors (including salary for one month @ 400)	95,200
7000, 6% preference share of Rs 30 each (on which dividend is in arrears for one year)	2,10,000
14000 equity share of 10 each	1,26,000
Rs 7 per share called up	1,68,000
General Reser.	28,000
P&L	

Under article of association of company the preference shareholders have a right to receive $\frac{1}{3}$ of the surplus remaining after repaying the equity share capital.
Prepare liquidator's final statement of account.

 Milky

Ans.

Liquidator's final Statement of Account

To Assets
Realised -

7 00 000

By Liquidator's
Remuneration

3% on 700000 21 000

2% on 560000 11 200

By Preference Shareholders 8400

Unsecured Creditors 86,800

" Preference Shareholders 210 000

Dividend, Arrear 12 600

Equity Shareholders 126 000

Surplus $\frac{1}{3}$ Preference 70 467

$\frac{2}{3}$ surplus to
Equity Shareholders ~~2 11 400~~

700 000

700 000