

Question

BY
Dr. S.N. Pathak.
Deptt Commerce
R.N.E. Nagpur.

The subject limited & Rakesh limited as on 31 March 2019 were as under.

Liabilities	Subject	Rakesh	Assets	Subject	Rakesh
Share capital fully paid Rs 10 each	12000	5000	Fixed assets	10000	6000
Creditors - P.S. -	14000	8000	Current assets	11500	2000
	2500	1000	Cash -	7000	1000
	28500	9000		28500	9000

On 1 April 2018 Subject limited acquired 80% share of Rakesh limited at Rs 15 per share. Prepare consolidated balance sheet as on April 2018.

Ans.

Consolidated balance sheet of Subject limited & Rakesh limited as at April 2018

Liabilities	Amount	Assets	Amount
Share capital 1200 x 10	12000	Fixed Assets	
Reserve & surplus P.S.	2500	Subject 10000	
Creditors 14000	17000	Rakesh 6000	16000
Minority Int.	1200	Goodwill	1200
	32700	Current Assets	
		Subject 11500	13500
		Rakesh 2000	
		Cash -	
		Subject 7000	
		Rakesh 6000	2000
		Balance	32700