Professor Vishwanathan Iyer's

## HERAMB COACHING CLASSES

## Yogeshwar Towers, Katemanivali, Kalyan (East) DATE:11/08/17

T.Y.B.COM/ FA MARKS: 30 DURATION:1H	T.Y.B.COM/ FA	MARKS: 30	<b>DURATION:1HR</b>
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**1.** A Ltd. And B. Ltd. Were amalgamated on and from 1<sup>st</sup> April,2012. A new company C Ltd. Was formed to take over the business of the existing companies. The Summary Balance Sheets of A Ltd. And B Ltd. As on 31<sup>st</sup> March,2012 are given below:

Liabilities	A Ltd.	B Ltd.	Assets	A Ltd.	B Ltd.
	(Rs in lakhs)			(Rs in lakhs)	
Equity Shares of Rs 100			Land and Building	550	400
each	800	750	Plant and Machinery	350	250
12% Preference Shares of			Investment	150	50
Rs 100 each	300	200	Stock	350	250
Revaluation Reserve	150	100	Sundry Debtors	250	300
General Reserve	170	150	Bills Receivables(Trade)	50	50
Export Profit Reserve	50	50	Cash and Bank	300	200
Profit and Loss A/c	50	30			
Debentures (Rs 100 each)	60	30			
Sundry Creditors	270	120			
Bills Payable	150	70			
	2,000	1,500		2,000	1,500

## **Additional Information:**

- 1. 10% Debentureholders of A Ltd. And B.Ltd. are discharged by C Ltd. By issuing such number of its 15% Debentures of Rs 100 each so as to maintain the same amount of interest.
- 2. Preference shareholders of two companies are issued equivalent number of 15% preference shares of C Ltd. at a price of Rs 150 per share (face value Rs 100)
- 3. C Ltd. will issue 5 equity shares for each equity share of A Ltd. and 4 equity shares for each equity share of B Ltd. The shares are to be issued @ Rs 30 each, having a face value of Rs 10 per share.
- 4. Export Profits Reserve is to be maintained for 4 more years.

Pass Journal Entries in the books of C Ltd. and Prepare Balance Sheet of C Ltd. as on 1<sup>st</sup> April,2012 after the amalgamation has been carried out on the basis of amalgamation in the nature of purchase. (15)

**2.** The Indo-Gulf Co. Ltd. sells its business to the Continental Co. Ltd as on 31<sup>st</sup> March,2012, on which date its Summary Balance Sheet was as under:

Liabilities	Rs	Assets	Rs
Paid up Capital:		Goodwill	50,000
2,000 Shares of Rs 100 each	2,00,000	Freehold Property	1,50,000
General Reserve	50,000	Plant and Tools	83,000
Profits and Loss Account	20,000	Stock	35,000
Debentures	1,00,000	Sundry Debtors	27.500
Trade Creditors	30,000	Cash at Bank	50,000
		Bills Receivable (Trade)	4,500
	4,00,000		4,00,000

The Continental Co. Ltd. agreed to take over the assets (exclusive of cash at bank and goodwill) at 10 per cent less than the book value, to pay Rs 75,000 for goodwill, and to take over the debentures. The consideration was to be discharged by the allotment to the Indo-Gulf Co. Ltd. of 1,500 shares of Rs 100 each at a premium of Rs 10 per share and the balance in cash.

The cost of the liquidation amounted to Rs 3,000. Show the necessary accounts in the books of the Indo-Gulf Co. Ltd. and show the necessary journal entries recording the transactions in the books of the Continental Co. Ltd. (15)