

S/H Dr
to Realisation

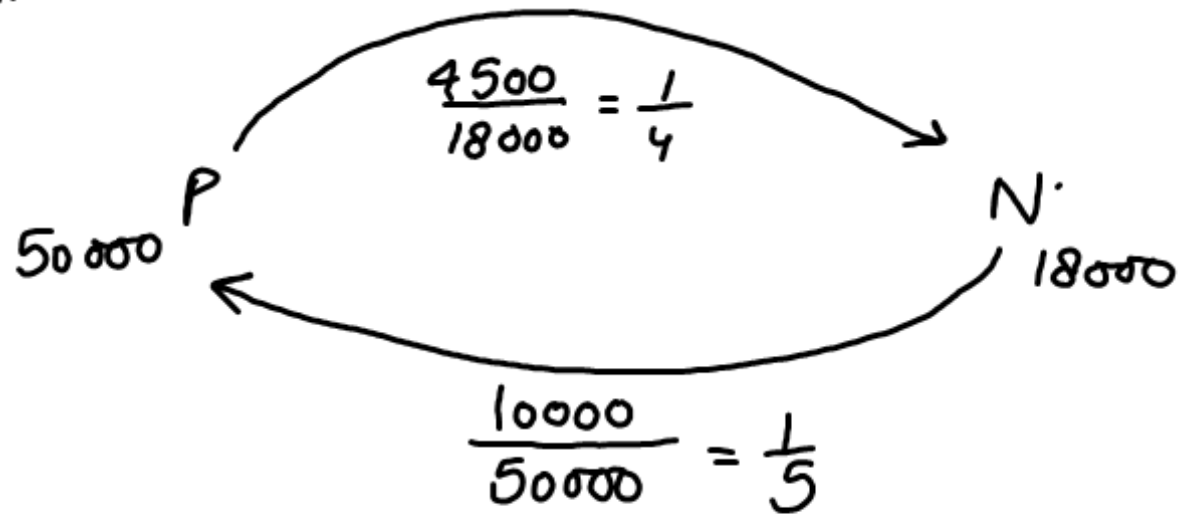
S/H Dr
to PCo.



(-) Shares not
taken over

Actual a + b = PC

Q16.



P hold $\frac{1}{4}$ shares of N

N hold $\frac{1}{5}$ shares of P

P Ltd

P&L Dr 10000
 to dividend payable 10000.
 (20% 50000)

N Ltd

Divid rec^v Dr 20000
 to P&L 20000.
 ($\frac{1}{5} \times 10000 = 20000$)

	P	N		P	N.
Sh. cap	500000	180000.	Sh of P/N	30000	10000
Res.	45000	-	Deb ⁿ of N	10000	
Deb ⁿ	-	200000	S. Assets	815000	46000.
Cr ^s	30000	20000	Divid rec ^v	-	20000.
Divid payable	100000	-			

Calculation of IV

	<u>P</u>	<u>N</u>
Shares of P/N	$\frac{1}{4}y$	$\frac{1}{5}x$
Deb ⁿ of N	100000	-
S. Assets	800000	500000
Divid rec ^v	-	20000
(-) Deb ⁿ	-	200000
(-) Crs.	300000	200000
(-) Divid payable	100000	-
IV	x	y

$$\frac{1}{4}y + 500000 = x \quad (1)$$

$$\frac{1}{5}x + 120000 = y \quad (2)$$

$$\frac{1}{5} \left[\frac{1}{4}y + 500000 \right] + 120000 = y$$

$$\frac{1}{20}y + 100000 + 120000 = y$$

$$220000 = \frac{19}{20}y$$

$$231579 = y$$

$$\begin{aligned} \therefore x &= \frac{1}{4}(231579) + 500000 \\ &= 557895 \end{aligned}$$

IV of PCo is used to calculate the value of Shares

$$\text{IV of PCo} = 557895$$

$$\div \text{No. of Shares} = 50000$$

$$\text{Value of Shares} = 11.1579$$

IV of VCO is used to calculate PC.

$$\text{IV of } N = 231579$$

$$\text{PC} \left(\frac{1}{4}\right)$$

$$57895$$

$$\text{Others} \left(\frac{3}{4}\right)$$

$$173684$$

$$\begin{array}{r} (-) \text{ Shares} \\ \text{not taken} \\ \text{over} \end{array} \quad \begin{array}{r} 10000 \times 11.1579 \\ = 111579 \end{array}$$

$$62105$$

Set off

$$57895$$

+

+

Pay off

$$62105$$

= PC

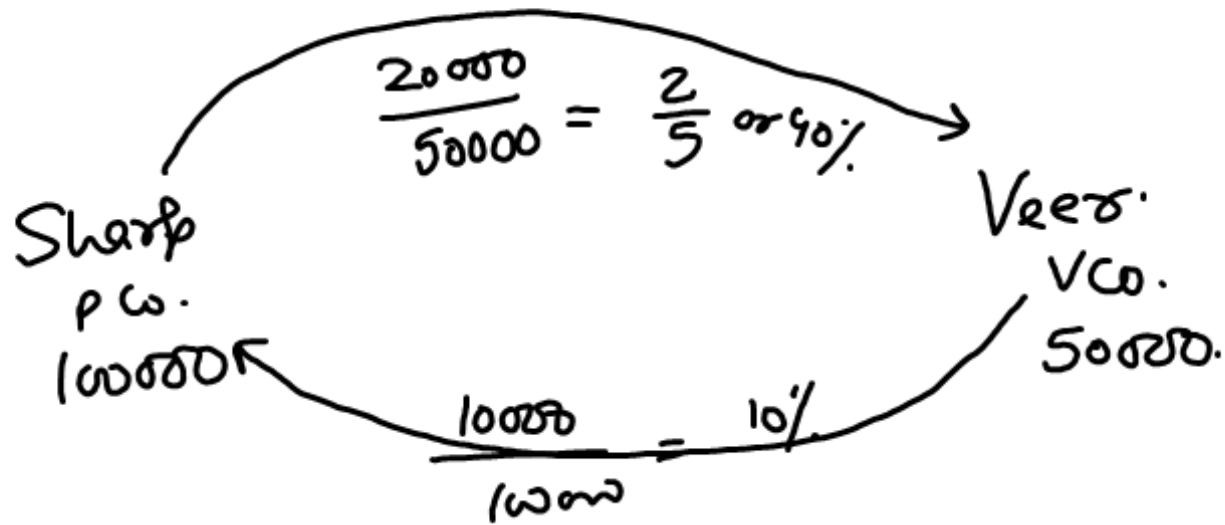
$$= 120000$$

Realisation a/c		Shareholders a/c	
Sh of P 10000	Del ⁿ 20000	P Co. 57895	Sh. cap 180000
S. Assets 460000	CrS 200000	shares 62105	Real 51579
divid rec ^v 20000	Pur Co. 120000	Real 111579	
S/H (51579)	S/H 111579		
		=	
		Pur Co. a/c.	
		To realisation 120000	S/H 57895
			Shares 62105

Pure Co. Books

<p>Bus Purchase Dr 120000 to liquidator of N 120000</p> <hr/> <p>S. Assets Dr 500000 Divid rec^v Dr 20000</p> <p style="padding-left: 40px;">to Liab for debⁿ 200000 to Crs 200000 to Bus Pur 120000</p> <hr/> <p>Liquidator Dr 120000</p> <p style="padding-left: 40px;">to Investment 57895 to Sh. Capital 55660 to Sec Prem 6445</p>	}	<p style="text-align: right;">Invst in Shares of N a/c</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%;">op bal 30000</td> <td style="width: 5%; border-left: 1px solid black;"></td> <td style="width: 45%; text-align: right;">Liq 57895</td> </tr> <tr> <td>CR (27895)</td> <td style="border-left: 1px solid black;"></td> <td></td> </tr> </table> <hr/> <p>Investment Dr 27895 to Capital Reserve 27895</p> <hr/> <p>Liab for debⁿ Dr 200000</p> <p style="padding-left: 40px;">to 9% Pref Shares 100000 to Invst in debⁿ 100000</p> <hr/> <p style="text-align: right;">Divid payable Dr 20000</p> <p style="padding-left: 40px;">to Divid rec^v 20000</p>	op bal 30000		Liq 57895	CR (27895)		
op bal 30000		Liq 57895						
CR (27895)								

$$\frac{62105}{11.1579} \times 10$$



Sharp holds 40% Shares of Veer

Veer holds 10% Shares of Sharp.

<u>PC</u>		Total	<u>PCo (40%)</u>	<u>Others (60%)</u>
Shares	$50000 \times \frac{1}{2} \times 13 =$	325000	130000	195000
Cash	$50000 \times 3 =$	150000	60000	90000.
				10000×13
				$= (13000)$
			<hr/>	<hr/>
			190000	155000.
			Set off	Pay off

(→) Sh. not taken over

PC = 345000.

Realisation a/c		Shareholders a/c	
FA 400000	CrS 120000	SH 190000	Sh-Cap 50000
Inv 110000	Swages 5000	Shares 65000	GR 35000
Stk 85000	Pur Co. 345000	Cash 90000	
Ds 55000		Real 130000	
Cash 10000	S/H 130000	Real 60000	
	S/H (60000)		
		Pur Co. A/c	
		Real 345000	Shares 65000
			Cash 90000
			S/H 190000

Bus Pur Dr 345000
 to Liquidator 345000

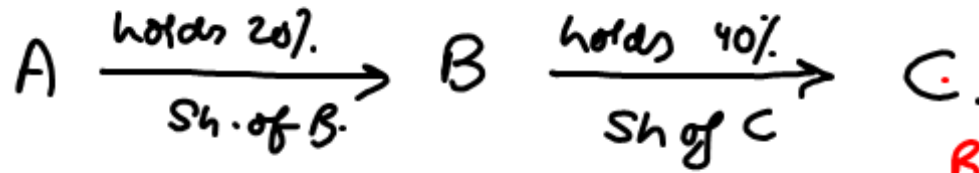
FA Dr 360000
 Stock Dr 85000
 Drs Dr 55000
 Cash Dr 100000

to crs 120000
 to d/s wages 5000
 to Bus Pur 345000
 to Capital Reserve 70000

Liquidator Dr 345000
 to Int 190000
 to Sh. capital 50000
 $\frac{65000 \times 10}{13}$
 to Sec prem 15000
 to cash 90000

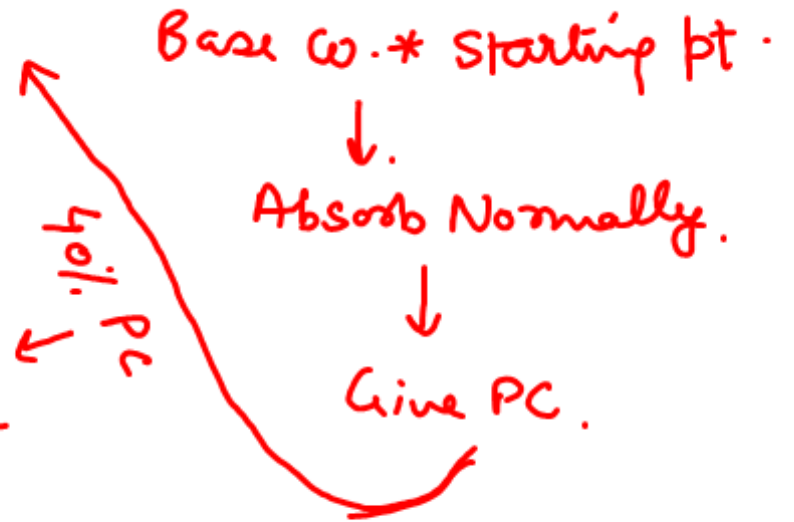
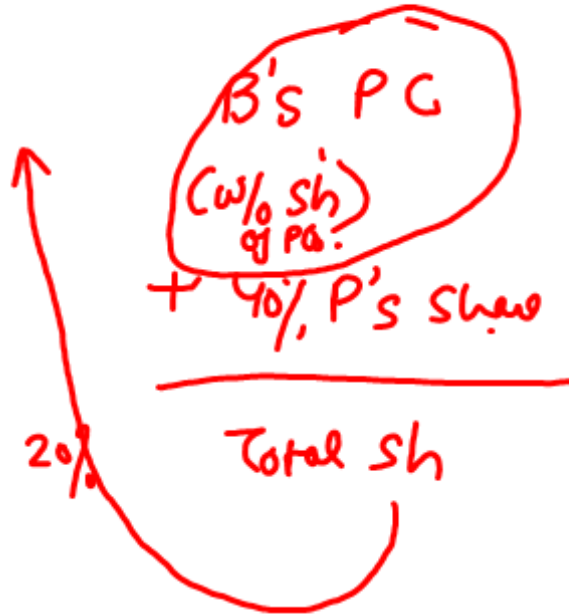
Int Dr 5000
 to Cap Res 5000

Chain Holding



A's PC
(w/o Sh of PC)
+ 20% from B

Total Given to S/H



Q17:

N Ltd = Base Co

Assets	=	20000.
- Liab		6000
<hr/>		
PC		14000.

(M) Shareholder a/c

P&L	1000.	Sh. capital	28000
Shares of MN	14000		
Real	<u>13000</u>		

Realisation a/c

S. Assets	33000	CRS	6000
		Pw Co	14000
		S/H	<u>13000</u>

Pw Co. a/c

Realisation	14000	Shares of MN	14000
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M 4d

Assets =	30000	(w/o Invt)
- Crs	15000	
- Loan	10000	
<hr/>		
PC	5000	
<hr/>		

Shareholders a/c

Sh of MN	5000	Sh. cap	32000
		P&L	5000
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Sh of MN	14000		
Real	18000		

Realisation

S. Assets	42000	Crs.	15000
Sh in N	20000	Loan	10000
		Sh of MN	14000
		Pure Co.	5000
		Sh	18000

Pure Co. a/c

Realisation	5000	Sh. of MN	5000
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MN Ltd.

Bus Purc Dr 19000

to Liq of M 5000

to Liq of N 14000

Assets Dr 50000

to Crs. 21000

to Loan 10000

to Bus Pur 19000

Liq of M Dr 5000

Liq of N Dr 14000

to Sh. Capital 19000

Loan Dr 10000

to Sh. Cap 10000
