

Q16.

P&L appx (1/4 - 30/6)

	<u>X</u>	<u>Y</u>		<u>X</u>	<u>Y</u>
Dividend.	50000	30000	bal b/d.	60000	40000
CL bal	50000	30000	NP	40000	20000

~~Balance sheet~~ on 30.6.77

	<u>X</u>	<u>Y</u>		<u>X (PG)</u>	<u>Y (VCG)</u>
Sh. Capital	500000	300000	Fixed Assets	292500	195000
Reserve	40000	20000	WC	287500	150000
P&L	50000	30000	Prep Exp	10000	5000

⊗ $300000 \times 10\% \times \frac{3}{12}$

= 7500.

⊙ $200000 \times 10\% \times \frac{3}{12}$

= 5000

PC
 A/w 20000
 FA 205000
 WC 150000.

 Pe 375000

Bus Pur Dr 375000
 to Liq 375000

A/w Dr 20000
 FA Dr 205000
 WC Dr 150000
 to Bus Pur 375000

 Liq Dr 375000
 to Ep Sh. Cap 375000

Balance Sheet of X
3/4 fund.

Share Capital	50000 +	375000	875000
Reserves			40000
P&L			50000
- prel Expense			(10000)
NonCL			-
CL			-
<u>Non CA</u>			
Tangible:	Fixed Asset	292500	
		+205000	497500
Intangible	Goodwill		20000
<u>CA</u>	Working Capital		437500

Amalgamation in Nature of MERGER

V Co. Books are 100% Same

	Amal in nature of Purchase	Amal in nature of Merger
Method Name	Purchase Method	Pooling of Interest Method
Assumption	Nongoing	Going Concern.
Entry of P Co.	Bus Purchase Dr to liquidator	Bus. Merger Dr to liquidator

	Purchase	Merger
3) <u>II</u> Entry of P Co.	Asset Dr to Liab to Bus Purchase (Takeover at AV/MV/BV)	Asset Dr to Liab to Bus Merger (All at BV)
4) Bal figure of <u>II</u> Entry.	G/W or CR	Debit side bal is trf to P&L Credit side bal is used to "create" reserve similar to those present in Vendor Co. and excess trf to P&L

	Purchase	Merger
G/w of VCo's	Dr Cr	Take over at BV.
Exp	G/w Dr to cash	P&L Dr to cash.
Statutory Reserve	Amal adj ofc Dr to Stat Res.	It is taken over like a liability.

PC:	PC=9	PZ	8	7	6	4	3
S. Asset Dr	14	14	14	14	14	14	14
P&L Dr		(3)					
to Liab	3	3	3	3	3	3	3
to Stat Res	2	2	2	2	2	2	2
to Bus. Merger	9	12	8	7	6	6	3
to Sec prem			(1)	1	1	1	1
to Gen Res				(1)	(2)	2	2
to P&L						(2)	(3)

Bus Merger Dr 976500.
 to liquidators of A 976500

Bldg Dr 150000.
 Mach Dr 550000
 Stock Dr 80000
 Debtors Dr 70000
 Cash Dr 15000

to Gen Res 38500
 to 12% debⁿ 100000
 to Crs 50000
 to EPF 15000
 to Bus Merger 661500

Machinery Dr 250000
 Stock Dr 40000
 Debtors Dr 50000
 Cash Dr 5000
 P&L Dr 15000
 to prov for DD 5000.
 to Crs. 40000
 to Bus Merger 315000

Liq of A Dr 661500
 Liq of B Dr 315000
 to Ep Sh Capital 976500

Q 18

PC of A

Prof share	1200
Ep shares	7200
<hr/>	
PC	8400
<hr/>	

PC of B

Prof shares	-
Ep shares	900
<hr/>	
	900
<hr/>	

9300.



Bus Merger Dr 9300
 to liq of M 8700
 to liq of N 900

P&M Dr 4215
 F&F Dr 2400
 Stock Dr 2370
 Drs Dr 1044
 Bank Dr 1542
 P&L Dr 120
 to Crs 2421
 to prov 870
 to BS-Merger 8400

P&M Dr 468
 F&F Dr 183
 vehicle Dr 51.
 Stock Dr 444
~~Bank~~ Dr 237
 Bank Dr 240
 P&L Dr 39.
 to 8.5% debⁿ 300
 to Crs. 369
 to Prov 93
 to Bus Merger 900

Liquidator of M Dr 8400
 to 11% Pref Sh. Capital 1200
 to Sp Sh. Capital 7200

Liquidator of N Dr 900
 to Sp Sh. Cap 900

P&L Dr 6
 to Cash 6

Pref Exp Dr 15
 to Cash 15

Balance Sheet

<u>Shareholder fund.</u>		
Ep Sh. capital	7200 + 900	8100
11% Pref Sh. Capital		1200
B&L Pref Exp		(165) (15)
<u>NCL</u>		
8.5% debentures		300.
<u>CL</u>		
Creditors		2790
Prov.		963
		3798

Assets

NetA

Tangible:	P&M.	4683
	F&F.	2583.
	vehicle	51.

CA

Share		2814
Debtors		1281
Bank	1542+240	
	<u>- 15 - 6</u>	1761

