7. The Balance Sheets of P Ltd. and Q Ltd. as on 31st March, 2006 were as follows:-

P Ltd.	Q Ltd.		P Ltd.	Q Ltd.
Rs.	Rs.	THE PARTY NAMED IN	Rs.	Rs.
		Goodwill	THE RESERVE OF THE PARTY OF THE	70,000
		Patents	2,00,000	_
15,00,000	5,00,000	Land & Buildings	14,00,000	
		Plant & Machinery	15,00,000	
5,00,000		Motor Vehicles	1,50,000	2,50,000
8,00,000		Furniture	70,000	25,000
7,00,000	2,00,000	Investments	1,10,000	CHEST VENT
2,50,000	1,40,000	Stock	2,00,000	2,70,000
2440		Debtors	80,000	1,65,000
	SUR SEPTION	Bank .	40,000	60,000
37,50,000	8,40,000		37,50,000	8,40,000
	Rs. 15,00,000 5,00,000 8,00,000 7,00,000 2,50,000	Rs. Rs. 15,00,000 5,00,000 5,00,000 — 8,00,000 — 7,00,000 2,00,000 2,50,000 1,40,000	Rs. Goodwill Patents	Rs. Rs. Goodwill — Patents 2,00,000 15,00,000 Land & Buildings 14,00,000 Plant & Machinery 15,00,000 5,00,000 — Motor Vehicles 1,50,000 8,00,000 — Furniture 70,000 7,00,000 2,00,000 Investments 1,10,000 2,50,000 1,40,000 Stock 2,00,000 Debtors 80,000 Bank 40,000

A new company PQ Ltd. was formed to acquire the assets and liabilities of P Ltd. and Q Ltd. The terms of acquisition of business were as under:

(i) PQ Ltd. to have an authorised capital of Rs. 50,00,000 dividend into 4,00,000 Equity Shares of Rs. 10 each and 10,000; 12% Preference Shares of Rs. 100 each.

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PROBLEMS ON CORPORATE ACCOUNTING

- (ii) Business of P Ltd. was valued on the basis of net assets and settlements were made by issue of 5,000 preference shares in PQ Ltd. at par to the preference shareholders and sufficient number of equity shares in PQ Ltd. to the equity shareholders at Rs. 20 each.
- (iii) Business of Q Ltd. was valued on the basis of net worth to be satisfied by equity shares in PQ Ltd. at Rs. 20 each

Give Journal Entries in the books of P Ltd. and PQ Ltd. and prepare the Balance Sheet of PQ Ltd. assuming the amalgamation was in the nature of merger.

8. A new company Crisil Ltd. was formed to take over the assets and liabilities of Amar

Problem - 2 (Problem	m -7 Dey & Dutton Pa	ge 233)
Calculation for	Purchase Consid	leration
	PLA	- Rh
Groodwill	to the Report of	70,000
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210	14 00 000	
Plm .	1500000	and the same of th
MIV	150000	250000
Furnitue	70000	25000
Investments	110000	_
Stock	200 000	270000
Debtors		
Bank	20000	162000
-7J-5-6-F	40000	60 000
Lewis come & livelile	3750,000	840,000
Lewi-coverent diabilities	250000	140000
Purchase Consideral		700000
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	Rh20each	~ ~
Control of the second	and a land of the same	A CONTRACTOR OF THE PARTY OF TH
Amount to be	adjusted in Re	serves
Amount payable	as purchase consi	desation
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-B Lind	700000	and the same of the
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- P L4-d' - R L4-d'	2000000	problem son
- R Ltd	500000 2	500000
Amount to be	adjusted -	700000
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Adjustment will be made as under
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To Realisation ALC
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Course Alc or 800000
Greneral Reserve ALC or 300000 / 3.00000
To Equity Shoreholdern AC
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Preference shares in Pa Hd. 500000/50000
To Preference shares in Pa Hd. 150000

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Equity Shaneholden Ale - Ar 3000000/	Balance sheet of Paradas at
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The same of the sa	Share Capital Fixed Assets Goodwill 70000
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secutors 24500	unseured loan - Bank 100000
Bank - Dr	Constitution of Man 2000 -
T C 1	current liabilities 390000 Misc. exp -
To Sundry creditas Ace 390000	4590,000
To Liquidator of PLHd 3500000	[4590000]
To Liquidator of PLHd 3500000 To Liquidator of QLHd 700000	Problem-3 (Duy & Duta Arablem 13, Page - 236).
218 用1 24	Problem-3 (Duy & Duta 100 Diem -
Liquidator of P Ltd - xx 3500000	Problem-3 (Dey & Durchase Consideration Calculation for purchase Consideration X Ltd (B) X Ltd (B)
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To 121. Preference share capitalette 500 000	Colators
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Marie 272 - 10 - 10 10 millen mining and the	
	Purchase Consideration 132300 63000
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