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Subject:-Financial Accounting

Topic

Consignment

"Nothing is more important than Education"

Problem 9

A Limited Co., which has paid-up share capital of ₹ 5,00,000 went int voluntary liquidation on 31st March, 2017. The following are the particulars of it assets and liabilities as on that date : Machinery, Stock and Debtors (which realise their book value) ₹ 3,95,000; Cash ₹ 5,000; Creditors ₹ 2,00,000; 6% Debenture carrying a floating charge ₹ 2,50,000 and interest accrued thereon for six months

The Debentures were paid off with interest upto 30th September, 2017 o which date a first and final dividend was also paid to the creditors. Credito for ₹ 25,000 (Outstanding salary of employees) were preferential and the re unsecured. The cost of liquidation amounted to ₹ 2,500. The liquidator is entitl to 3% on the amount realised and 2% of the amount distributable to the unsecur creditors (except preferential creditors) by way of his own remuneration.

Prepare the Liquidator's Final Statement of Account.

Solution

......Co. Ltd. (in Liquidation)

Liquidator's Final Statement of Account

Receipts	*Amount*	*Payments*	*Amou*
	₹		₹
Cash in hand	5,000	Liquidation Cost	2,
Realisation of Assets	3,95,000	Remuneration of Liquidators :	
		3% on ₹ 3,95,000	11,
		2% on ₹ 1,01,127	2,
		Debentures & Interest	2,57,
		Pref. Creditors	25,
		Unsecured Creditors	1,01,
	4,00,000		4,00

Working Note :

Commission on Unsecured Creditors :

$$= \frac{\text{Balance} \times \text{Rate of Commission}}{100 + \text{Rate of Commission}}$$

$$\text{Balance} = 4{,}00{,}000 - (2{,}500 + 11{,}850 + 2{,}57{,}500 + 25{,}000) = ₹\ 1{,}03{,}150$$

$$\text{Commission} = \frac{1{,}03{,}150 \times 2}{102} = ₹\ 2{,}023$$