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Subject-Specialised Accounting
Topic:-Liquidation



Problem 4

The following particulars relate to a limited company which has gone into voluntary liquidation. You are required to prepare the Liquidator's Final Statement of Account allowing for his remuneration @ 2% on the amount realised and 2% on the amount distributed to unsecured creditors other than the preferential creditors:

	₹
Unpaid Salary of an Employee	10,000
Unsecured Creditors	32,000
Debentures	10,000
Following amounts were received on assets :	
Land & Buildings	20,000
Plant and Machinery	18,650
Fixtures and Fittings	1,000
Liquidation Expenses amounted to ₹ 1,000	

Solution**Liquidator's Final Statement of Account**

<i>Receipts</i>	<i>Amount</i>	<i>Payments</i>	<i>Amount</i>
<i>Assets Realised :</i>	₹		₹
Land & Building	20,000	Liquidation Expenses	1,000
Plant & Machinery	18,650	Remuneration :	
Furniture &	1,000	2% on ₹ 39,650	793
Fixture		2% on ₹ 17,507	350
		Unpaid Salary of Employee	10,000
		Debentures	10,000
		Unsecured Creditors	17,507
	39,650		39,650
			39,650

Note : Amount available for payment to Unsecured

$$\text{Creditors} = 39,650 - (1,000 + 793 + 10,000 + 10,000)$$

$$= ₹ 17,857$$

$$\text{Liquidators remuneration} = \frac{17,857}{2} \times 2 = ₹ 350$$