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Subject-Specialised Accounting
Topic:-Liquidation



Refund of Capital to Shareholder

Problem 14

The Sunshine Ltd. went into voluntary liquidation on 30-6-2017 on which date its subscribed capital consisted of as follows :

- (a) 10,000, 12% Preference Shares of ₹ 10 each fully paid.
- (b) 20,000 Equity Shares of ₹ 10 each fully paid.

The assets realised ₹ 2,80,000, the expenses of liquidation came to ₹ 2,20,000. Unsecured creditors were ₹ 35,000 including ₹ 5,000 Preferential creditors. The liquidator's remuneration was fixed at 3% on assets realised and 2% on the amount

distributed to each class of recipients. Preference dividend was paid upto 30-6-2017. Preference Shares carry preferential right as to payment of capital and dividend.

Prepare Liquidator's Final Statement of Account.

Solution

The Sunshine Ltd. (in Liquidation)

Liquidator's Final Statement of Account

<i>Receipts</i>	<i>Amount</i>	<i>Payments</i>	<i>Amount</i>
	₹		₹
Assets Realised	2,80,000	Liquidator's Remuneration :	
		3% on ₹ 2,80,000	8,400
		2% on ₹ 5,000	100
		2% on ₹ 30,000	600
		2% on ₹ 1,00,000	2,000
		2% on ₹ 1,31,700	2,582
		Liquidation Expenses	2,200
		Pref. Creditors	5,000
		Unsecured Creditors	30,000
		Pref. Shareholders	1,00,000
		Equity Shareholders	1,29,118
	2,80,000		2,80,000

Working Note :

Amount available for payment to Equity Shareholders + Rem. on their payment

$$₹ 2,80,000 - (8,400 + 100 + 600 + 2,000 + 2,200 + 5,000 + 30,000 + 1,00,000)$$

$$= ₹ 2,80,000 - 1,48,300 = ₹ 1,31,700 \times 2/102 = ₹ 2,582$$