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**Faculty -Commerce**

**Subject Specailised Accounting**

**Class -B.Com Part 2**

**Session-2022-25**

**Topic**

**Internal Reconstruction**

Soln. 8.

In the Books of Ranu Ltd.  
Journal Entries.

Preference share capital A/c --- Dr. 200000  
 To preference share capital (new) A/c 150000  
 To Reconstruction A/c 50000

(Being Preference share capital reduced).

Equity share capital A/c --- Dr 400000  
 To equity share capital A/c 150000  
 To Reconstruction A/c 250000

(Being equity share capital reduced).

5.10 Mortgage Debentures A/c --- Dr 100000  
 To Trade Receivable A/c 40000  
 To Inventories A/c 50000  
 To Reconstruction A/c 10000

(Being debentureholders given Inventories and Trade receivable).

Machinery A/c --- Dr 50000  
 To Reconstruction A/c 50000  
 (Machinery appreciated).

Reconstruction A/c --- Dr. 360000  
 To goodwill A/c 15000  
 To statement of P/L 245000  
 To premises A/c 100000

(Being goodwill st. of P/L and premises written off)



# Balance sheet.

## EQUITY & LIABILITIES

### shareholder's funds

20000 preference shares of ₹ 75 150000

4000 Equity share of ₹ 37.50 150000

### Non-current liabilities

Bank overdraft 50000

### current liabilities

Trade payable 100000

Total 450000

## ASSETS

### Non-current assets.

Premises 100000

Machinery 350000

Total 450000