

***UDES*H REGULAR**

FOR GROUP-1, MAY 2024

- Subject- Advanced Accounting
- Chapter- *Amalgamation*
- Lecture No.- *6*

Recap of Previous Lecture



Topic

Books of Purchasing w.
+
Questions



PHYSICS
WALLAH

Topics to be Covered



Topic

Books of Old / Vendor Co.
+
Questions



PHYSICS
WALLAH

TOPIC: BOOKS of old/vendor co.

Realisation A/c

↓
Profit/Loss } Close

Old Co
BP

Equity & Liab.	<input checked="" type="checkbox"/>	ASSETS	
Eq. sh. cap.	<input checked="" type="checkbox"/>	PPE	
Prp. sh. cap.	→ 1000000	PLM	
Reserves	<input checked="" type="checkbox"/>	F&F	
Debtors	✓	Intangible Assets	
Creditors	✓	Investments	
Other liab. & Prov.	✓	Inventories	
		Trade Rec.	
		Cash & Bank	

Realisation

✓
✓
✓
✓
✓
✓

⊖

→ If taken over

* Any one

Realisation A/c

✓

To Sundry Assets
(Individually at Book value
Whether taken over or not)

Exception: Cash & Bank

To Cash & Bank A/c

(Liab. not taken over: Paid)

To Cash & Bank A/c

(Realisation Exp. paid)

To PSH A/c* (PSC vs share in PC)

To ESH A/c (Profit) (B.J.)*

By Sundry outsider liabilities
(Individually at Book value
Whether taken over or not)

Capital x Reserves x

By Purchasing Co.

(Purchase consideration) ✓

By Cash / Bank A/c

(Assets not taken over: Realised)

By Cash / Bank A/c

(Realisation Exp. Reimbursed)

By PSH A/c*

By ESH A/c (Loss) (B.J.)*

#Q11

Purchase Consideration
(Net Payment Method)

Payment to

Payment In
Cash
9% Pref. shares
Cash
Equity shares

1) PSH

Working
4000 x 10
4000, 9% Pref. sh. of 100 each

Amount
40000
400000 } → 440000

2) ESH

8000 x 20
8000 eq. sh. of 100 each @ 140

160000
1120000

1720000

Books of Zed Ltd. (Old Co.)

1)	Realisation A/c - Dr	16,20,000	
	To Land & Building		4,00,000
	To Plant & Machinery		6,00,000
	To Goodwill		2,40,000
	To Patents		50,000
	To Inventories		1,50,000
	To Trade Receivables		1,80,000

2)	Gt. Debentures A/c - Dr	2,00,000	
	Trade Payables A/c - Dr	1,20,000	
	P/O Int-on d/b. A/c - Dr	1,20,000	
	Workmen Comp. Liab. A/c - Dr	50,000	
	To Realisation A/c		3,37,000

3)	Wye Ltd, A/c - Dr	1720000	
	To Realisation A/c		1720000
	(with Purchase consideration)		

4)	Cash/Bank A/c - Dr	200000	
	97 Prp. sh. of Wye Ltd. A/c - Dr	400000	
	Equity sh. of Wye Ltd. A/c - Dr	1120000	
	To Wye Ltd. A/c		1720000
	(Discharge of consideration)		

5)	Realisation A/c - Dr	12000	
	To Cash/Bank A/c		12000
	(9/15 Deb. Int. paid)		

6) Realisation A/c - Dr 12500
 To Cash/Bank A/c 12500
 (Liquidation Exp. paid)

7) Cash/Bank A/c - Dr 10000
 To Realisation A/c 10000
 (Reimbursement of Liquidation Exp.)

8) 61. Pref. share cap. A/c - Dr 40000
 Realisation A/c - Dr (B-f.) 40000
 To Preference shareholders 44000

9) Pref. shareholders A/c - Dr 44000
 To Cash/Bank A/c 40000
 To 91. Pref. sh. of Wye Ltd. 40000

10) Realisation A/c — Dr 382500

To Equity Shareholders A/c

382500

Cash/Bank

11) Equity Share Cap. A/c — Dr 800000

Capital Reserve A/c — Dr 100000

PAL A/c — Dr 50000

Workmen Comp. Reserve A/c — Dr 30000

To Equity Shareholders A/c

953000

Opening 70000

+ From Wye Ltd. 200000

- O/S Int. (12000)

- Expenses (12500)

+ Reimburse 20000

- PSH (40000)

215500

12) Equity Shareholders A/c — Dr 1335500

To Equity Share Wye Ltd.

1120000

To Cash/Bank (B.f.)

215500

Realisation A/c

WN: 1

To Sundry Assets	1620000	By Sundry Liab.	337000
To Cash/Bank A/c	12000	By Wye Ltd. (P.C.)	1720000
To Cash/Bank A/c	12500	By Cash/Bank A/c	10000
To PSH A/c	40000		
To ESH A/c (Profit) (B.f.)	382500		

Books of Wye Ltd.

1) Business Purchase A/c - Dr 1720000
1720000
 To Liquidator of Zed Ltd.

Name of purchase

2)

Land & Building A/c - Dr	550000	
Plant & Machinery A/c - Dr	650000	
Patents A/c - Dr	20000	
Inventory A/c - Dr	150000	
Trade Receivables A/c - Dr	180000	
Goodwill A/c - Dr (B.F.)	505000	
		120000
To Trade Payables A/c		210000
(2000 x 105) To Deb. of Zed Ltd. A/c		5000
To Workmen Comp. Liab. A/c		1720000
To Business Purchase A/c		

3)	Liquidator of Zed Ltd. A/c - Dr	1720000	
	To Cash/Bank A/c		200000
	To 9% Pref. sh. Cap. A/c		400000
	(8000 x 100) To Equity share Cap. A/c		800000
	(8000 x 40) To Securities Premium A/c		320000

4)	Deb. of Zed Ltd. A/c - Dr	210000	
	(2000 x 100) To 7% Debentures A/c		200000
	(2000 x 5) To Securities Premium A/c		10000

5)	Goodwill A/c - Dr	10000	
	To Cash/Bank A/c		10000
	(Liquidation Exp. Reimbursed)		



2 mins Summary



Topic

Books of Old vendor w. l. questions



PHYSICS
WALLAH



Thank You

