

Dr. Uttam Kumar
SRAP College ,Barachakia
Mob no-8210561032
Subject-Specialised Accounting
Topic:-Liquidation



Problem 13

The Sky Ltd. went into voluntary liquidation on 31-12-2016 at which date its capital consists of:

- (a) 5,000, 8% Preference Shares of ₹ 10 each fully paid.
- (b) 10,000 Equity Shares of ₹ 10 each fully paid.

The assets realised ₹ 80,000. The expenses of liquidation amounted to ₹ 2,000 and unsecured creditors were ₹ 34,000 including ₹ 3,000 preferential creditors. The liquidator's remuneration was fixed at 4% commission on assets realised and 2% commission on the amount distributed to shareholders.

Preference shares carry preferential right as to payment of capital and assume that there is no arrears of dividend.

Prepare Liquidator's Final Statement of Account.

Solution

The Sky Limited (in Liquidation) Liquidator's Final Statement of Account

<i>Receipts</i>	<i>Amount</i>	<i>Payments</i>	<i>Amount</i>
Assets Realised	₹ 80,000	Liquidator's Remuneration : 4% on ₹ 80,000 2% on ₹ 40,000 (W/N 1) Liquidation Expenses Preferential Creditors Unsecured Creditors Pref. Shareholders	₹ 3,200 800 2,000 3,000 31,000 40,000
	80,000		80,000

Working Note :

$$\begin{aligned} & ₹ 80,000 - (3,200 + 2,000 + 3,000 + 31,000) \\ & = 40,800 \times \frac{2}{100} = ₹ 800 \end{aligned}$$