

Question:

The following scheme of reconstruction of R.N.C. Haldipur.

- ① The shareholders to receive in lieu of their present holding of 60000 shares of 10 each. Fully paid the following:
 - (a) Fully paid new equity share of 10 each.
 - (b) 8% preference share Fully paid to the extent of $\frac{1}{2}$ of the advance new equity shares and debentures -
 - (c) 60000 8% second debentures -
- ② The debentureholders total claims of Rs 75000 to be reduced to Rs. 25000. This will be satisfied by the issue of 2500, 8% preference share of 10 each. Rs. 25000. First allotment made and allotted payment.
- ③ An issue of Rs. 50000, received in cash.
- ④ For the above which is Rs. 300000 was written down to Rs. 75000 and machinery which stood at 100000 was written down to 75000.
- ⑤ The Freehold Premises which stood at 175000 was written down by 75000.
- ⑥ The Freehold Premises which stood at 175000 was written down by 75000.

| | | |
|-------------------|---------|-------|
| Particulars | Rs. | Paise |
| Share Capital | 600000 | |
| Reserves | 100000 | |
| Debtors | 100000 | |
| Creditors | 100000 | |
| Freehold Premises | 175000 | |
| Machinery | 100000 | |
| Total | 1175000 | |

Rs. 75000 and Rs. 75000 and Rs. 75000 and Rs. 75000.

ANS.

Divya Limited

Journal Entries

| Date | Particulars | L.A | Account | Amount |
|------|------------------------------------|-----|----------|----------|
| | Equity Share Capital Me Dr | | 6,00,000 | |
| | TO Equity Share Capital (New) | | | 1,20,000 |
| | " Preference Share Capital | | | 60,000 |
| | " 8% Second Debenture | | | 60,000 |
| | " Reconstruction A/c | | | 36,000 |
| | (Being Equity Share Redeemed) | | | |
| | Debit A/c Dr | | 75,000 | |
| | TO Preference Share Capital | | | 25,000 |
| | " Reconstruction | | | 50,000 |
| | (Being Debenture Redeemed) | | | |
| | Banks A/c Dr | | 50,000 | |
| | TO 6% Debenture (Issued) | | | 50,000 |
| | (Being) | | | |
| | Reconstruction A/c Dr | | 4,10,000 | |
| | TO Goodwill | | | 2,25,000 |
| | " Machinery | | | 25,000 |
| | " Freehold Premises | | | 75,000 |
| | " Capital Reserve | | | 85,000 |
| | (Being Various Assets written off) | | | |