

AMALGAMATION

Q.1. The following are the summarized Balance Sheets of Mukta Ltd. and Nithya Ltd.

Liabilities	Mukta Ltd.	Nithya Ltd.	Assets	Mukta Ltd.	Nithya Ltd.
Share Capital	32,000	28,000	Sundry Assets	42,000	33,000
Profit & Loss A/c	5,000	–	Share in Nithya Ltd.	20,000	–
Creditors	15,000	6,000	Profit & Loss A/c	–	1,000
Loan – Uma Ltd.	10,000	–			
Total	62,000	34,000	Total	62,000	34,000

The whole of Shares of Mukta are held by Uma and the entire Share Capital of Nithya is held by Mukta.

A new Company Nithyamukta Ltd., is formed to acquire the Sundry Assets and Liabilities of Mukta Ltd. and Nithya Ltd. For this purpose, Sundry Assets of Mukta Ltd. are revalued at Rs.30,000 and those of Nithya Ltd. at Rs.20,000.

Show the Journal Entries necessary to close the books of Mukta Ltd. and Nithya Ltd.

Q.2. Alpha Limited and Beta Limited were amalgamated on and from 1st April, 2001. A new company Gamma Limited was formed to takeover the business of the existing companies. The Balance Sheet of Alpha Limited and Beta Limited as on 31st March, 2001 are given below:

SUPER EXPRESS LTD.

Balance Sheet as at 31st December, 2001

(Rs. in lakhs)

Liabilities	Alpha Limited	Beta Limited	Assets	Alpha Limited	Beta Limited
Share capital			Fixed assets	1,200	1,000
Eq. sh. of Rs.100 each	1,000	800	Current assets, loans and advances	800	565
15% Preference capital	400	300			

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(Preference shares of Rs.100 each)					
Reserve and surplus					
Revaluation reserve	100	80			
General reserve	200	150			
Profit & Loss A/c	80	60			
Secured Loan:					
12% Debentures of Rs.100 each	96	80			
Current liabilities And provisions	204	95			
	2,080	1,565		2,080	1,565

Other Information:

1. 12% Debenture holders of Alpha Limited and Beta Limited are discharged by Gamma Limited by issuing adequate number of 16% Debentures of Rs.100 each to ensure that they continue to receive the same amount of interest.
2. Preference shareholders of Alpha Limited and Beta Limited have received same number of 15% Preference share of Rs.100 each of Gamma Limited.
3. Gamma Limited has issued 1.5 equity shares for each equity share of Alpha Limited and 1 equity share for each equity share of Beta Limited. The face value of shares issued by Gamma Limited is Rs.100 each.

Required :

Prepare the balance sheet of Gamma Limited as on 1st April, 2001 after the amalgamation has been carried out using pooling of interest method.
