

$$\begin{aligned} \underline{\underline{M(I):-}} \quad \text{Esc (20\%)} &= 160000 \\ (+) \text{ Pre Acq} &= 109500 \\ \hline \end{aligned}$$

$$\begin{aligned} \text{M/I on DoA} &= 269500 \\ (+) \text{ post Acq} &= 40500 \\ \hline &= 310000 \\ \hline \end{aligned}$$

Cons. P&L OF H :-

$$\begin{aligned} \text{Bal. OF H (P&L)} &= 900000 \\ (+) \text{ post Acq share} &= 162000 \\ \text{from S} \\ (+) \text{ post Acq share} &= 112500 \\ \text{from Jr} \\ (+) \text{ Post Acq share} &= 40500 \\ \text{in Ass. (equity m.)} \\ \hline &= 1215000 \\ \hline \end{aligned}$$

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Jr :-

±) AOP :-	<u>Pre</u>	<u>Post</u>	<u>Bls</u>
	150000	300000	450000
(+/-) Trdg	75000	$\left(\frac{300000}{12} \times 3\right)$	

	225000	225000
H (50%)	112500	112500

2) Coc :- Invest (50%) = 500000

(-) Prop. share in NA

Esc pre = $\begin{pmatrix} 300000 \\ 112500 \end{pmatrix}$

Goodwill = 87500

Associate

Equity method

on DOA

Invest Cost = 160000

(-) Prop. NA

Esc 30% = 150000
Pre Acq = 49500

39500

Invest 39500
To CR 39500

on B/s

Revised Invest = 199500

(+) Post Acq share = 40500

240000

Invest Dr. 40500
To Cr. 40500
P&L

AOP:-

	<u>Pre</u>	<u>Post</u>	<u>B/s</u>
Pa	120000	180000	300000
(+/-) Tradj 3m	45000	(45000)	
	<u>165000</u>	<u>135000</u>	
	X 30%	X 30%	
	<u>49500</u>	<u>40500</u>	

Cons. B/s of H Ltd.

Esc		10,00,000
Cons. Res	1215000	1254500
	CR (+) 39500	
Minority Interest		310000
Liabilities	H 1100000	20,25,000
	S 650000	
	J 275000	
	<u> </u>	
		<u>4589500</u>
Investment in Ass. (30%)		240000
Goodwill	S 22000	109500
	JV 87500	

Other Assets

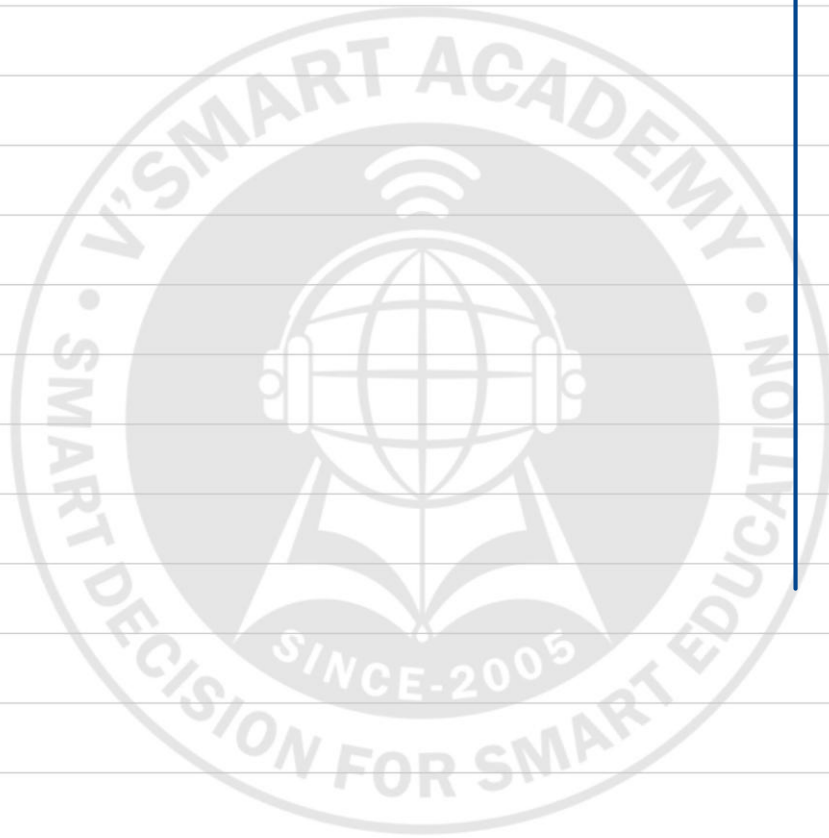
H 1240000

S 2200000

Jr 800000

42,40,000

45,89,500



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Q2

Calculation of Carrying Amt of Assets (Combined)

Particulars	Org. Cost	Dep.	Closing WDV
Building	1200000	60,000	11,40,000
Pipeline	60,00,000	9,00,000	51,00,000
Computers etc	300,000	1,20,000	1,80,000
Vehicles	90,00,000	18,00,000	72,00,000
	<u>84,00,000</u>	<u>12,60,000</u>	<u>71,40,000</u>

Combined B/s

Capital	71,40,000
PPE :-	
Gross 8400000	
(-) prov. for Dep. 1260000	
	71,40,000

A Ltd.

B/S (extract)

PPE :-	
Gross	₹ 2800000
(-) Prov. for Dep.	(420000)
	₹ 23,80,000

Stat. P&L (extract)

Depreciation	420000
Maintenance Exp	200000

Same for B Ltd. & C Ltd.

<u>Q1</u>	<u>A</u>	<u>B</u>	<u>C</u>	
Land purchase	60,00,000	Material	950000	
Loan taken	50,00,000		Other Exp	900000
Interest on loan	200000		Labour	
Registration fee	60000		Adv.	

Books of Mr. A

JV A/c (outflow & inflow)

To Land 60,00,000	By One Fiat 10,00,000
To Interest 200000	By Sales. 40,00,000
To Registration 60000	By B [Debtors] 1420000
To profit 630000	By C [Debtors] 470000

Books of Mr. B

JV A/c

To Material 950000	By One Fiat 10,00,000
To profit 630000	By Sale 20,00,000
To Mr. A 1420000	

1420

Books of Mr. C

JV A/c

To Exp. 900000 (Lab., Adr. etc)	By One Fiat 10,00,000
To profit 630000	By Sales 10,00,000
To Mr. A 470000	

470

Consolidated P&L of JV

To Land 60,00,000

To Inter. 200000

To Reg. 60000

To Material 950000

To Other Exp. 900000

To Profit 18,90,000

[A 630000
B 630000
C 630000]

By Ventures 30,00,000
(1 Fiat each)

By Sales 70,00,000

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Transactions between Partners & JV

Ex:-1 There is a JV of Mr. A & Mr. B
Ratio 1:1

Mr. A has PPE
in its own = 100000
Books

This PPE is sold by Mr. A to its JV at
120000

(Sol):- NO Profit booking shall be done on its
own share by Mr. A

Books of A

Share in PPE Dr. 50000
B Dr. 60000

To PPE 100000
To Gain 10000

Books of B

Share in PPE Dr. 60000
To A a/c 60000

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Ex:-2

There is a JV OF Mr. A & Mr. B
Ratio 1:1

JV has PPE
OF = 100000

This PPE is sold by JV to Mr. A at 120000

Sol):-

Books of A		Books of B	
		A a/c Dr. 60000	
PPE a/c Dr. 110000 (B/A)		To Share in PPE 50000	
To Share in PPE 50000		To Gain 10000	
To B 60000			

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