

His position on the date of insolvency was as under :—

Assets	Book Value ₹	Realizable Value ₹
Building	4,50,000	2,10,000
Machinery	2,40,000	1,20,000
Stock	1,20,000	90,000
Debtors :—		
Good	80,000	80,000
Doubtful	50,000	10,000
Bad	20,000	—
Bills Receivable	24,000	24,000
Cash & Bank	30,000	30,000
Other Assets	2,40,000	60,000

Creditors :—

 Preferential - ₹ 30,000

 Unsecured - ₹ 6,00,000

 First Mortgage on Building - ₹ 90,000

 Second Mortgage on Building - ₹ 2,10,000

Other Details :—

1. Bills Discounted are (Not included in above details) of ₹ 30,000. Out of which a Bill worth ₹ 10,000 is likely to be dishonoured .

2. Receiver's Expenses and Remuneration amounted to ₹ 24,000

3. Shri Shakti gifted a motor car of his business worth ₹ 1,50,000 to his friend Bhakti on 1-1-2016. Its market value on 31-3-2017 is ₹ 60,000.

From the above particulars, prepare Statement of Affairs and Deficiency Account of Shri Shakti Ruia.

OR

Q. 4 A. With special reference to Insolvency Accounts, explain....

(5)

- Fraudulent Preference & - Voluntary Transfer

B. Prepare Deficiency Account (List _ H) from the following details.

(10)

The said person declared insolvent on 31-3-2017.

1. Capital - ₹ 10,00,000 (Employed on 1-4-2014)

2. Interest on Capital - @ 12 % p.a. (On original amount of Capital)

3. Wife's Loan - (80% STRI DHAN) - ₹ 5,00,000

4. Profits earned -

 2014-15 - ₹ 80,000 , 2015-16 - ₹ 1,70,000

5. Loss incurred - 2016-17 - ₹ 4,50,000

6. A Laptop of Business worth ₹ 65,000 was gifted to a close friend on 31-8-2016. Now , its market Value is ₹ 35,000

7. Total Drawings - ₹ 7,00,000

8. Liquidation expenses and liquidator's remuneration - ₹ 30,000

9. Assets :—

Asset	Book Value ₹	Estimated to realize ₹
Sundry Assets	13,00,000	7,20,000
Debtors	50,000	30,000