

Q6) The summarized GLS of Bad world Ltd on 31-3-18 was as follows.

Liabilities	₹	Assets	₹
30000 ES of ₹ 10 fully paid up	300000	Goodwill	70000
10000 ES of ₹ 10 each		Fixed assets	450000
₹ 8 paid up	80000	Current assets	220000
Reserve	180000	paid up	10000
11% Debentures	100000		
Current liability	<u>90000</u>		
	<u>750000</u>		<u>750000</u>

The goodwill is independently valued @ ₹ 50000 and other fixed assets @ 420000. There was a contingent liability of ₹ 20000 which has become payable.

Determine value of both shares under net asset method.

Valuation of Shares under net asset

Step 01 - NET ASSET