

Illustration - 4

(Retirement As well as Admission)

K L M → Old partners
 5 : 3 : 2
 K N M → New partners
 Admission.

Revaluation a/c

Q.

To furniture a/c	10,000	By partner's Capital	
To inventory a/c	20,000	K $(30,000 \times \frac{5}{10})$	15,000
		L $(30,000 \times \frac{3}{10})$	9,000
		M $(30,000 \times \frac{2}{10})$	6,000
	<u>30,000</u>		<u>30,000</u>

Partners' Capital a/c

Q.

K	L	M	N		K	L	M	N	
a/c	15000	9000	6000	-	By bal b/d	40,000	60,000	30,000	-
By a/c	-	-	-	15,000	By reserves	25000	15000	10000	-
a/c	-	40500	-	-	By N's cap	-	15000	-	-
					By L's cap	-	-	-	40500
a/c	-	40500	-	-					
cc 7500	-	17000	-						
42500	-	34000	2500						
	90000	40500				90,000		40500	



WN : ① $\frac{50,000 \times 3}{10}$ Goodwill of firm

15,000 $\rightarrow$ L's share of GW

N's capital acc dr. 15,000

To L's capital acc 15,000

② N's capital $\rightarrow$ $\frac{40500 - 15000}{25500 - \frac{3}{10}}$
N's share

? 25500 - 1

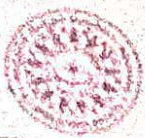
Req capital 85,000
K 5:3:2 N M
42500 25500 17000

Existing Cap
50,000
7500
Surplus
34,000
17000
Surplus

K's Capital acc dr. 7500

M's Capital acc dr. 17000

To Bank acc 24500



Balance sheet as at 1/4/22

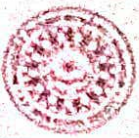
Liabilities		Assets	
Capital			
K	42500	furniture	10,000
N	25500	Trade receivables	50,000
M	17000	Inventory	30,000
Trade payable	20,000	Bank	29,500
		(80,000 - 40,500)	15,000
		- 7500 + 7000	
	<u>1,05,000</u>		<u>1,05,000</u>

Illustration - 5

dr.	Revaluation a/c.	Cr.	
To building	10,000	By investments	3000
To Plant and Machinery	26,000	By partner's capital	
To P.D.D	27800	A $(60800 \times \frac{5}{10})$	30400
(139000 x 20%)		B $(60800 \times \frac{3}{10})$	18240
		C $(60800 \times \frac{2}{10})$	12160
	<u>63800</u>		<u>63800</u>

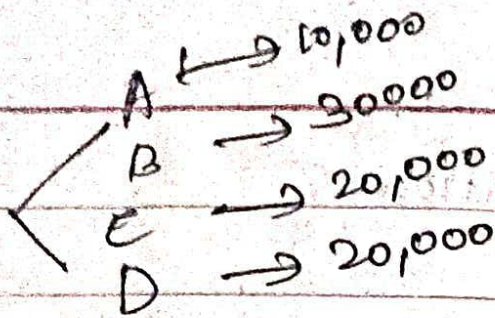
Partner's capital a/c

	A	B	C	D		A	B	C	D
To Rev a/c	30400	18240	12160	-	By b/d	89000	20,000	30,000	-
To investment	-	15000	-	-	By Reserve	10,000	6000	4000	-
To A's cap	-	-	10,000	-	By C's cap	10,000	10,000	-	-
To B's cap	-	-	10,000	20,000	By D's cap	-	20,000	-	-
To B's loan a/c	-	27160	-	-	By bank	10400	-	78160	60,000
To bal c/d	16000	16000	16000	16000					
	89000	-	80000	40000					
	<u>1,10,400</u>	<u>56000</u>	<u>1,12,160</u>	<u>60,000</u>		<u>1,10,400</u>	<u>56000</u>	<u>1,12,160</u>	<u>60,000</u>



Working Note :-

AN GW 1,00,000



$$A \quad \frac{5}{10} - \frac{2}{5} = \frac{1}{10} \quad (S)$$

$$B \quad \frac{3}{10} - 0 = \frac{3}{10} \quad (S)$$

$$C \quad \frac{2}{10} - \frac{2}{5} = \frac{-2}{10} \quad (G)$$

$$D \quad 0 - \frac{1}{5} = \frac{-1}{5} = \frac{-2}{10} \quad (G)$$

D's cap alc dr. 20,000

C's cap alc dr. 20,000

To A's cap alc 10,000

To B's Capital alc 30,000

Capital → 2,00,000
(2:2:1)

	A	C	D
existing	80,000	80,000	40,000
	69600	1840	+ 20,000
	10400	78160	60,000
	deficit	deficit	(deficit)



dr.	Bank alc	Gr.
To A's cap alc	10400	By balance bld 44,000
To C's cap alc	78160	By balance/d 104560
To D's cap alc	60,000	
	<u>148560</u>	<u>148560</u>

Balance sheet

Liabilities		Asset	
A	80000	Land	10,000
B	80000	Buildings	1,90,000
D	4000	Plant and Machinery	104000
B's loan	22760	furniture	43000
long term	3,00,000	Inventories	130000
Trade payables	1,70,000	Trade receivables	139000
		(-) PDD	21800
		Bank	1,04,560
	<u>6,92,760</u>		<u>6,92,760</u>

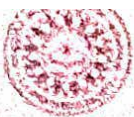


Illustration - 6

Dr.

Revaluation a/c

To Building	29000	By investments	3000
To Plant and Machinery	57000	By Partner's Capital a/c	
To Bad debts	13,900	A 26370	
		B 17580	
		C 43,950	87900
	<u>90,900</u>		<u>90,900</u>

Partner's capital a/c

	A	B	C	D		A	B	C	D
To Reval a/c	26370	17580	43950	-	By bal b/d	1,04,000	76000	1,40,000	-
To B's cap	-	-	-	40,000	By D's cap	-	40,000	29,000	-
To C's cap	-	-	-	20,000	By bank	12370	-	3950	1,59,000
To investment	-	25000	-	-					
To B's loan	-	73420	-	-					
To Balance b/f	9000	-	12000	90,000					
	<u>1,16,370</u>	<u>1,16,000</u>	<u>1,63,950</u>	<u>1,50,000</u>		<u>1,16,370</u>	<u>1,16,000</u>	<u>1,63,950</u>	<u>1,59,000</u>

Working

$$A \quad \frac{3}{10} - \frac{3}{10} = 0$$

$$GW = 200,000 \times \frac{3}{10}$$

$$B \quad \frac{2}{10} - 0 = \frac{2}{10} \rightarrow \textcircled{S}$$

$$= 60,000$$

$$C \quad \frac{5}{10} - \frac{4}{10} = \frac{1}{10} \rightarrow \textcircled{S}$$

$$\begin{array}{c} \triangle 2:1 \\ 40,000 \quad 20,000 \end{array}$$

$$D \quad 0 - \frac{3}{10} = -\frac{3}{10} \rightarrow \textcircled{G}$$

D's capital ac dr. 60,000	
To B's cap ac	40,000
To C's capital ac	20,000

Capital $\rightarrow$ 3,00,000

	A $\frac{3}{10}$	C $\frac{4}{10}$	D $\frac{3}{10}$
Required	90,000	1,20,000	90,000
Existing	77,630	1,16,050	60,000
Capital	<u>12,370</u>	<u>3,950</u>	<u>1,50,000</u>
	deficit	deficit	deficit.



Joint Life policy.

Illustration

Premium
↓
Paid by firm
↓
Accounting

Premium paid
↓

Expense
↓

JLP Premium alc dr. xxx

To Bank alc xxx

P & L alc dr. xxx

To JLP premium xxx

When Amt is received

Surrender value Policy Amt

Bank alc dr. xxx

To JLP alc xxx

Premium paid.
↓

Asset.

JLP alc dr. xxx

To Bank xxx

JLP → B/s as Asset.

① End of year

JLP (Asset) has to be shown at surrender value.

P & L alc dr. xxx

To JLP (Asset alc) xxx

Amount received.



JLP a/c dr. Xxx

To partner's

Capital a/c xxx

(OPSR)

Surrender value

Policy Amount

Bank a/c dr. xxx

To JLP a/c xxx

JLP a/c dr. xxx

To partner's Capital xxx

(Amt received - Book value)

Illustration - 4

J. L. P premium a/c			
Dr			Cr
10/6/18 To Bank a/c	3000	31/12/19 By P&L a/c	3000
	<u>3000</u>		<u>3000</u>
10/6/19 To Bank a/c	30,000	31/12/19 By P&L a/c	3000
	<u>3000</u>		<u>3000</u>
10/6/20 To Bank a/c	3000	31/12/20 By profit and loss a/c	3000
	<u>3000</u>		<u>3000</u>
10/6/21 To bank a/c	3000	31/12/20 By profit and loss a/c	3000
	<u>3000</u>		<u>3000</u>

JLP a/c

15/4/22 To partners Capital a/c		15/4/22 By bank a/c	3600
Red ($3600 \times \frac{5}{10}$)	1800		
White ($3600 \times \frac{3}{10}$)	1080		
Black ($3600 \times \frac{2}{10}$)	720		
	<u>3600</u>		<u>3600</u>

illustration - 8

JIP a/c			Gr.		
10/6/18	To Bank a/c	3000	31/12/18	By P&L a/c	3000
		<u>3000</u>			<u>3000</u>
10/6/18	To Bank a/c	3000	31/12/19	By P&L a/c	2100
				(3000 - 900)	
		<u>3000</u>	31/12/19	By bal b/d	900
					<u>3000</u>
1/1/20	To bal b/d	900	31/12/20	By P&L a/c	1900
10/6/20	To Bank a/c	3000		(3900 - 2000)	
		<u>3900</u>	31/12/20	By balance b/d	2000
					<u>3900</u>
1/1/21	To bal b/d	2000	31/12/21	By P&L a/c	1400
10/6/21	To bank a/c	3000		(5000 - 3600)	
		<u>5000</u>	31/12/21	By bal c/d	3600
					<u>5000</u>
1/1/22	To balance b/d	3600	15/4/22	By bank a/c	3600
		<u>3600</u>			<u>3600</u>

Illustration. 9

Working note.
SR

$$A \quad \frac{5}{10} - 0 = \frac{5}{10} = \frac{15}{30} \text{ (S)}$$

$$B \quad \frac{3}{10} - \frac{2}{3} = \frac{9-20}{30} = -\frac{11}{30} \rightarrow \text{(G)}$$

$$C \quad \frac{2}{10} - \frac{1}{3} = \frac{6-10}{30} = -\frac{4}{30} \rightarrow \text{(G)}$$

GR

11 : 4

Goodwill of firm = 1,00,000

$$\begin{aligned} \text{A's Share of goodwill} &= 1,00,000 \times \frac{5}{10} \\ &= 50,000 \end{aligned}$$

Sundry fixed Asset = 30,000

F.L.P = 5000

$$(1,00,000 + 30,000 + 5000) = 1,35,000.$$

$$\begin{aligned} \text{A's share } 1,35,000 \times \frac{5}{10} \\ = 67500 \end{aligned}$$

B's Capital ac dr. 49500

C's Capital ac dr. 18000

To A's Capital ac

67500

A's capital a/c dr. 1,14,500

To A's loan a/c 58,750

To Bank a/c 58,750

Assets as per balancesheet 1,90,000

(+) Bank balance 15,000

(10,000 + 15,000) = 25,000

2,05,000

Less: Bank loan 40,000

Trade payable 30,000

A's loan a/c 58,750

1,28,750

76,250

↓ 2:1

B's capital 50,833

C's capital 25,417

Bank a/c dr. 76,250

To B's capital a/c 50,833

To C's capital a/c 25,417

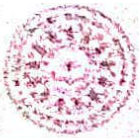


illustration 1

Working note

$$A.P = \frac{I.P}{N} = \frac{41,000 + 50,000 + 55,000}{3}$$

W. A.P

1	41,000	41,000
2	50,000	1,00,000
3	55,000	<u>1,65,000</u>
	G.W	<u>3,06,000</u>
		÷ 6

$$= 51,000 \times 2$$

$$G.W \text{ of firm} = 1,02,000 \times \frac{1}{6}$$

$$= 17,000$$

$$(3:2) \text{ Aarav share } = 10,200$$

$$\text{Nirav's share} = 6,800$$

Aarav share capital dr. 10,200

Nirav share capital dr. 6,800

To prior capital a/c 17,000



dr.

Rev alc

Q.

TO P. DD	3250	By Building	10,000
TO Machinery	6750	By partner's cap alc	
TO Stock	9000	Aarav	4500
		Nirav	3000
		Purav	1500
	<u>19,000</u>		<u>19,000</u>

dr.

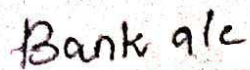
partner's Capital alc

Cr.

	A	N	P		A	N	P
TO Loss on Revaluation	4500	3000	1500	By bal b/f	80,000	50,000	35,000
TO purav cap	10200	6800	-	By General Reserve	30000	20000	10000
TO bank	-	-	60500	By Aarav's Capital			10200
TO balance c/d	1,30,300	85,200		By Nirav Capital			6800
				By bank	25000	25000	-
	<u>1,45,000</u>	<u>95,000</u>	<u>62,000</u>		<u>1,45,000</u>	<u>95,000</u>	<u>62,000</u>

VSH
XXXX

KX
15



Balance sheet

Capital		Building	60,000
Surav	1,30,300	Machinery	60,750
Nirav	85,200	Debtors	65,000
Trade Creditors	50,000	(-) P.P.D	3250
		Stocks	71,000
		Bank	12,000
	<u>2,65,500</u>		<u>2,65,000</u>



Illustration - 11

Working note

① S.R (or) G.R

Satyam $\frac{1}{4 \times 5} - \frac{2}{5 \times 4} = \frac{5-8}{20} = \frac{-3}{20}$ (S)

Shivam $\frac{1}{4} - 0 = \frac{5}{20} \rightarrow$ (S)

Sunderam $\frac{2}{4 \times 5} - \frac{3}{5 \times 4} = \frac{10-12}{20} = \frac{-2}{20}$ (G)

G.R = 3:2

Goodwill of firm = 1,20,000

Shivam's share of goodwill = $120,000 \times \frac{1}{4}$
= 30,000

Satyam's capital a/c dr. 18000

Sunderam capital a/c dr. 12000

To Shivam's capital a/c 30000



②

Dr.

Revaluation a/c

Cr.

To plant	16,000	By building	50,000
To Provision for doubtful debts	3400	By Investments	9000
To partners capital a/c	9900		
1 Satyam $(30,000 \times \frac{1}{4})$	7650		
1 Shivam $(3000 \times \frac{1}{4})$	7650		
2 Sundaram $(30,600 \times \frac{2}{4})$	15300		
	9900		
	19800		
	<u>59000</u>		<u>59000</u>

Dr. ③

partners capital a/c

Cr.

Particulars	Satyam	Shivam	Sund.	particulars	Satyam	Shivam	Sund.
Shivam cap a/c	18000	12000	12,400	By bal b/d	195000	19,8000	1,12,000
To bal b/c	86900	-	-	By General Reserve	20,000	20,000	40,000
By bal b/c	1,20,000	-	1,80,000	By Rev profit	7650	7650	15300
Shivam's				By Satyam & Sundaram cap	-	30,000	30,000
Sundaram	-	207,900	-	By investments	5000	-	-
own a/c				By bank	-	-	20,200
	<u>2,24,900</u>	<u>207,900</u>	<u>1,92,000</u>		<u>2,24,900</u>	<u>2,07,900</u>	<u>1,92,000</u>



(4) Required capital $\rightarrow$ 3,00,000

	Satyam	Sundaram
Existing capital	1,20,000	1,80,000
	<u>2,06,900</u>	<u>1,59,800</u>
	86,900	20,200
	Surplus	deficit.

(5)

Bank a/c

By bal b/d 95,720

To Sundaram 20,200

1,15,920

By ~~bal~~ Satyam capital 86,900

By balance fd. 29,020

1,15,920

Balance sheet

Capital		Building	3,00,000
Satyam	1,20,000	plant	1,44,000
Sundaram	1,80,000	Stock	45,280
Sundry Creditors	75,000	Trade receivables	68,000
Spiram loan a/c	2,07,900	(-1 PDD 5% 3400	64,600
		Bank	<u>29,020</u>
	2,15,000		
	5,82,900		<u>5,82,900</u>



Practical - 1

dr.	Revaluation a/c		Cr.
To Machinery	40,000	By land	60,000
To stock	20,000	By creditors	10,000
To PDD	10,000		
	<u>70,000</u>		<u>70,000</u>

dr.	partners capital a/c						Cr.
	Ram	Rahul	Rohit		Ram	Rahul	Rohit
To Ram up	-	30,000	60,000	By bal b/d	300,000	2,00,000	1,00,000
To bank a/c	2,000	-	-	By JLP a/c	30,000	20,000	10,000
(420,000 x 50%)				60,000 @ 3:2:1			
To Ram's loan a/c	2,00,000	-	-	By Rahul & Rohit up	90,000	-	-
balance c/d	-	3,00,000	3,00,000	By bank	-	1,10,000	2,50,000
		<u>3,00,000</u>	<u>3,00,000</u>			<u>1,10,000</u>	<u>2,50,000</u>



$$\text{Ram} \rightarrow \frac{3}{6} - 0 = \frac{3}{6} \text{ (S)}$$

$$\text{Rahul} \rightarrow \frac{2}{6} - \frac{1}{2} = -\frac{1}{6} \text{ (G)}$$

$$\text{Rohit} \rightarrow \frac{1}{6} - \frac{1}{2} = -\frac{2}{6} \text{ (G)}$$

Rahul a/c dr. 30,000

Rohit a/c dr. 60,000

To Ram a/c 90,000

$$\text{Gw} \rightarrow \frac{1,80,000 \times \frac{3}{6}}{90,000}$$

dr.	Cash & bank a/c		Cr.
To b/d	1,00,000	By balance c/d	3,10,000
To Rahul capital	1,10,000	By Ram cap	2,10,000
To Rohit cap	2,50,000		
To FLP	60,000		
	4,60,000		
	5,20,000		5,20,000

		60,000
		1:1
	Rahul	Rohit
Required capital	30,000	30,000
Existing	19,000	50,000
	1,10,000	2,50,000
	deficit	



Balance sheet

Capital a/c

Rahul 3,00,000

Rohit 3,00,000

Ram's loan a/c 2,10,000

Sundry creditors 1,90,000
~~2,00,000~~

10,00,000

Land and building 2,60,000

Machinery 1,80,000

Closing 80,000

Sundry debtors 2,00,000

(-) PDD 1,000 1,90,000

Cash and bank balance 3,10,000

10,00,000

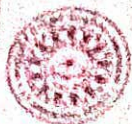


Practical 2.

dr.	Revaluation a/c	Cr.	
To PDD (90000 x 2%)	1800	By fixtures	9800
To P.C a/c A (8000 x 2/6)	2667		
B (8000 x 3/6)	4000		
C (8000 x 1/6)	1333		
	<u>9800</u>		<u>9800</u>

Dr.	Profit and Loss Adj a/c	Cr.	
To B's capital	6000	By partner's capital	
To p.c	12000	A $42000 \times \frac{3}{6}$	21000
A $(36000 \times \frac{2}{6})$	12000	B $42000 \times \frac{2}{6}$	14000
B $(36000 \times \frac{3}{6})$	6000	C $42000 \times \frac{1}{6}$	7000
C $(36000 \times \frac{1}{6})$	<u>42000</u>		<u>42000</u>

Dr.	Partner's capital a/c			Cr.			
	A	B	C				
To P&L Adj	21000	14000	7000	By bal b/d	15000	10000	5000
To A's ap	—	14000	4667	By P&L Adj	—	6000	—
To B's ap a/c	1,62,334	—	—	By P&L Adj	12000	18000	6000
To PDD	—	2700	900	By Rev	2667	4000	1333
(3600 → 3:1)	—	34634	—	By B's ap	18,667	—	—
To Bank	—	—	—	By C's ap	—	1,62,334	—
To balance c/d	—	2,25,000	9500	By A's ap	—	—	30234
				By bank	—	—	—
	<u>1,83,334</u>	<u>2,90,334</u>	<u>87,567</u>		<u>1,83,334</u>	<u>2,90,334</u>	<u>87,567</u>



Balance Sheet

Capital acc		fixtures	39,800
B	2,25,000	stock	1,70,000
C	75,000	debtors 90,000	
Sundry creditors	40,000	(-) PDD 6% 5400	84,600
		Cash	
		(50,000 + 30234)	
		- 34634	45,600
	<u>3,40,000</u>		<u>3,40,000</u>

S.R

$$A \quad \frac{2}{6} - 0 = \frac{2}{6}$$

$$B \quad \frac{3}{6} - \frac{3}{4} = \frac{-3}{4}$$

$$C \quad \frac{1}{6} - \frac{1}{4} = \frac{-1}{12}$$

3:1

~~24~~ 12



$$\text{Goodwill} \rightarrow \frac{56000 \times 2}{6}$$

$$A's \text{ Share} = 18667$$

$$\begin{array}{ccc} & \swarrow & \searrow \\ B' & 3\frac{1}{2} & C' \\ 14000 & & 4667 \end{array}$$

$$\text{Capital} \quad 3,00,000$$

$$\begin{array}{ccc} & \swarrow & \searrow \\ & 3:1 & \\ B & & C \end{array}$$

$$\begin{array}{cc} \text{Required} & 2,25,000 \end{array}$$

$$75,000$$

$$\text{Existing capital} \quad 2,59,634$$

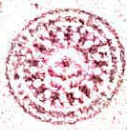
$$41,766$$

$$\underline{34,634}$$

$$\underline{30234}$$

Surplus

deficit



Death of a partner

- ① Revaluation
- ② share the profit / loss
- ③ Reserves
- ④ Goodwill Computation
- ⑤ Goodwill Adjustment
- ⑥ NPS, SR
- ⑦ JLP, SLP

Shared among all partners in OPR

- ⑧ Profit share till date of death.
- ⑨ Settlement → pay the executor's Pay
loan
- ⑩ Capital proportionate.

Amount payable to executor

Capital a/c balance	→ xxx
Current a/c balance	→ xx
Reserve's share	→ xx
Revaluation profit/loss	→ xx/(xx)
Drawings	→ (xx)
Interest on drawings	(xx)
Interest on Capital	xxx
Goodwill share	xxx
Salary/Remuneration	xxx

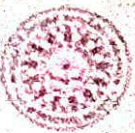


illustration - 1

i) Computation of goodwill.

	31/3/22	31/3/21	31/3/20
profit	50,000	20,000	(10,000)
Car rectification	40,000	—	—
Depreciation 20%	(8000)	—	—
	62,000	20,000	(10,000)
Weights	3	2	1
	1,86,000	40,000	(10,000)
W. Avg profit	→ $\frac{2,60,000}{6}$		

$$= 36,000$$

$$G.W = 36,000 \times 2$$

$$= \cancel{72,000} \times \frac{2}{5}$$

$$\therefore \text{Share of goodwill} = 23,800$$

$$\begin{array}{c} \triangle 1:2 \\ \times \quad \gamma \\ 9600 \quad 19,200 \end{array}$$

↓

Z's share of profit = 10,800

OFC ÷ At the end of the year

TO P & L Suspense A/c 10,800

To Computers	30,000	By building	20,000
To inventories	4000	By Loss on Revaluation	
To investments	4000	X ($22,800 \times \frac{1}{5}$)	4560
To M.C. a/c		Y ($22,800 \times \frac{2}{5}$)	9120
($32000 \times 20\% \times \frac{9}{12}$)	4800	Z ($22,800 \times \frac{2}{5}$)	9120
	28,000		32,000
	42,800		42,800

Partners Capital a/c

	X	Y	Z		X	Y	Z
To lous Rent	4560	9120	9120	By bal b/d	40000	20000	80000
To z's cap	9600	19200	-	By Reserves	6000	12000	12000
To z's executors a/c	-	-	1,35,280	By x's cap	-	-	9600
To Balanu				By y's cap	-	-	19200
9d	38240	76480		By P & L Suspense	-	-	10,800
				By motor car	6400	12800	12800
				(32,000 x 1:2:2)			
	52400	1,04,800	1,44,400		52,400	1,04,800	1,44,400

Balance sheet 31/12/22

Capital		Building	1,40,000
X	38240	Computers	50,000
Y	76480	Inventories	16,000
Trade payable	20,000	Trade receivables	20,000
Bank loan	50,000	Bank	50,000
Executors	1,35,280	Investment	60,000
		Motor car	27,200
		(32,000 - 4800)	
		P & L Suspense	10,800
	3,20,000		3,20,000

A's executor are

Q.

Working note: 25285



R.v alc

To Liability a/c		By P. Pay a/c	
	2000	A	1000
		B	500
		C	500
	<u>2000</u>		<u>2000</u>

3

GW

2019 $\rightarrow$ 9640

2020 $\rightarrow$ 6720

2021 $\rightarrow$ 7640

$$\frac{9640 + 6720 + 7640}{3}$$

Avg profit before $\rightarrow$ 8000

Charging IOC

(-) Interest on capital $\rightarrow$ 2000
(20,000 $\times$ 10%)

Average profit 6000

G.W $\rightarrow$ 6000 $\times$ 2 $\Rightarrow$ 12,000

A's share $\rightarrow$ 12,000 $\times \frac{2}{4}$

A's share of GW 6000

4

profit share of A

profit of 2022 $\rightarrow$ 3670 $\times$ 2

(-) Interest on capital 2000

1670 $\times \frac{2}{4}$

A's share $\rightarrow$ 835



5

SLP

A → 10,000

B → 2000
(10,000 × 20%)

C → 2000

$$14,000 \times \frac{2}{4}$$

A's Share → 7000

VSH
22X

XX
13

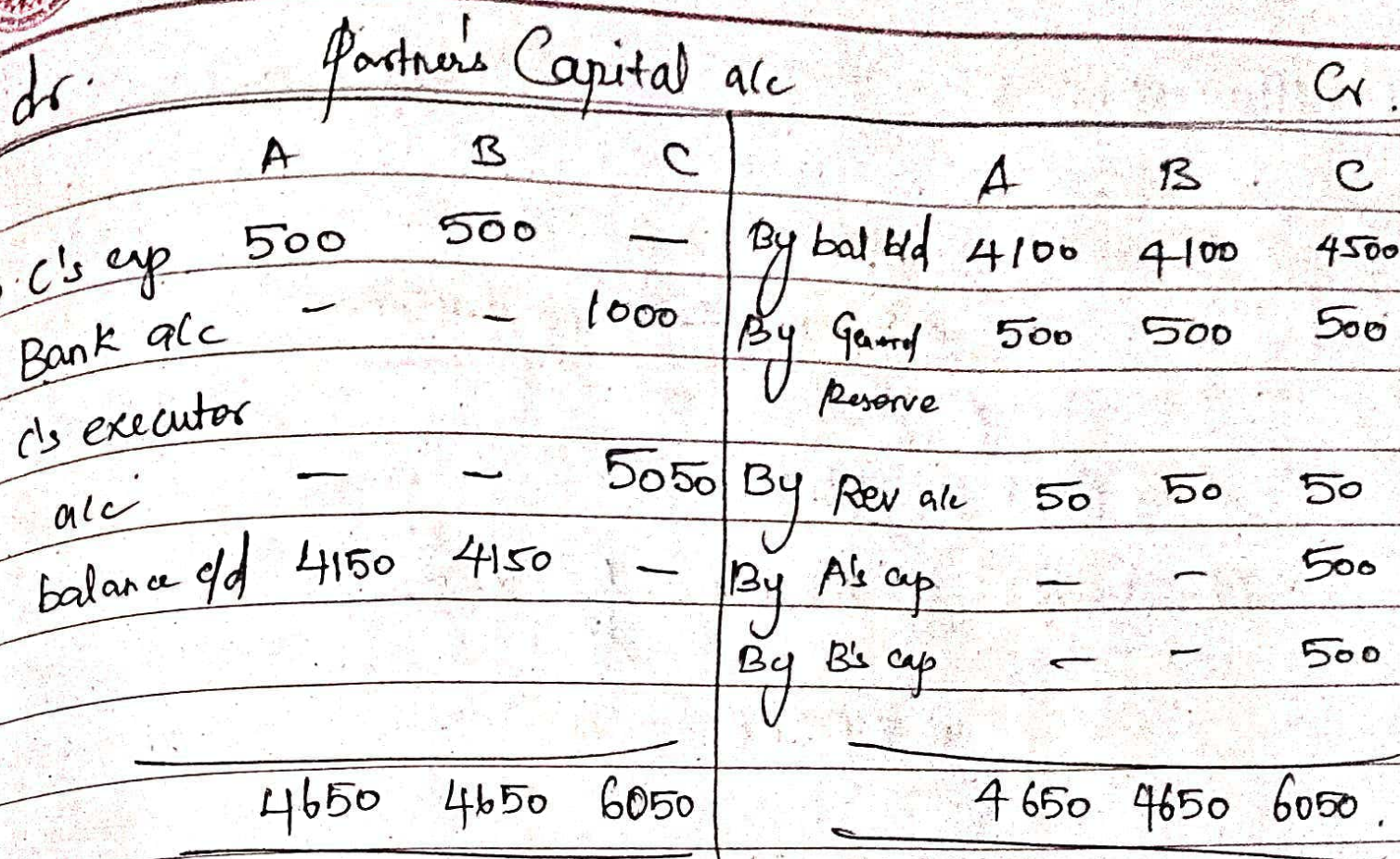
Illustration - 3

$$\text{Gow} \rightarrow 3000 \times \frac{1}{3}$$

C's share of GW $\rightarrow 1000$

A's capital a/c dr.	500
B's capital a/c dr.	500
To C's capital a/c	1000

dr.	Revaluation a/c		Cr.
To furniture	500	By Machinery	850
To inventory	250		
To partner's Capital a/c			
A 50			
B 50			
C 50	150		
	<u>850</u>		<u>850</u>



(ii) P.D.D dr. 300
To Revaluation ac 300

Revaluation a/c dr. 300

To partner's capital a/c 300

A (1:1:1)

B

2

illustration-5

Dr.	Revaluation a/c		Cr.
To furniture	7500	By building	33,000
To inventory	8740		
To Bad debts	1760		
To partner's capital a/c			
Diya ($15,000 \times \frac{2}{5}$)	6000		
Riya ($15,000 \times \frac{1}{5}$)	3000		
Kiya ($15,000 \times \frac{2}{5}$)	6000		
	<u>33,000</u>		<u>33,000</u>

Working note			Partners Capital a/c			
D	R	K	D	R	K	
To K's cap	40,000	20,000	By bal b/d	15,000	18,000	70,000
To Bank a/c	—	—	By Rev	6,000	3,000	6,000
To balance			By Reserves	56,000	28,000	56,000
c/d	2,28,000	2,19,000	By JLP	56,000	28,000	56,000
			(200,000 - 60,000)			
			By diya's	—	—	40,000
			By Riya's	—	—	20,000
			By P & L surplus	—	—	31,800
			(4,200 + 27,600)			
<u>3,68,000</u>	<u>2,89,000</u>	<u>2,79,800</u>	<u>2,68,000</u>	<u>2,39,000</u>	<u>2,79,800</u>	



Working note :-

① Gw computation

$$\begin{array}{rcl} \text{Average profit} \rightarrow & 162,000 + 199,000 + 187,000 + & \\ \text{before int} & \underline{\hspace{1cm}} & 1,960,000 \\ & 4 & \end{array}$$

$$= ₹ 1,86,000$$

$$\begin{array}{rcl} \text{(-) Interest on capital} & ₹ & 36,000 \\ (12\% \times 300,000) & & \end{array}$$

$$\text{Average profit} = 1,50,000$$

$$Gw = 1,50,000 \times 1$$

$$\text{Diya share} = 1,50,000 \times \frac{2}{5}$$

$$= 60,000$$

$$\begin{array}{ccc} & \text{Diya} & \text{Priya} \\ & 2:1 & \\ 40,000 & & 20,000 \end{array}$$

② Interest on capital

$$70,000 \times 12\% \times \frac{6}{12} = 4,200$$

③ Share of profit

$$\text{Avg profit before interest} = \frac{1,26,000 \times 6}{12}$$

$$\text{Avg profit before interest} \rightarrow \underline{93,000}$$

(-) int on capital

$$\frac{4,00,000 \times 12\% \times 6}{12} = \underline{24,000}$$

$$\text{Avg profit} \rightarrow \underline{69,000}$$

$$\text{Kiyal's share of profit} = \frac{69,000 \times 2}{5} = 27,600$$

P & L suspense a/c dr. 27,600

To Kiyal's capital a/c 27,600
(share of profit)

P & L suspense a/c dr. 4,200

To Kiyal's capital a/c 4,200
(int on capital)



Balance sheet

Partners capital			
Diya	2,28,000	Land and building	1,98,000
Riya	2,19,000	furniture	67,500
		Inventory	80,000
Trade payables	60,000	Trade receivable	94,990
		Bank	34,710
		(114510 + 34710 + 2,00,000 - 279800)	
		Pd L surplus a/c	31,800
	<u>5,07,000</u>		<u>5,07,000</u>

Practical Question - 1

DE in the books of seed, plant, flower

1. R.V a/c dr. 5000

To F. A a/c 4000

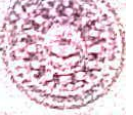
To B/R 1000

2. Seed Cap a/c dr. 2500

plant Cap a/c dr. 1500

flower Cap a/c dr. 1000

To R.V a/c 5000



General Reserve a/c dr. 5000

To seed a/c 2500

To plant a/c 1500

To flower 1000

(see my book)

Practical Question-2

LDR

Peter's executor a/c

To drawings	10,000	By Peter's cap a/c	10,000
To P&L Adj a/c (Insurance premium)	3000	By Peter's current a/c	20,000
To balance c/d	291,125	By Paul's cap a/c	53500
		By Prince's cap a/c	53500
		By JLP a/c	50,000
		By SLP a/c	40,000
		By Revaluation a/c	10,000
		By P&L suspense a/c	67125

Working note: 304,125

3,04,125

① Goodwill

	2019	2020	2021
Profit →	1,00,000	1,20,000	1,50,000
Profit on sale of Asset	(5000)	(7000)	(10,000)
Insurance claim received	(10000) (3000)	-	(12,000)
Insurance premium uncharged	-	-	(6000)
Int on capital (20,000 x 10%)	(2000)	(2000)	(2000)

profits

90,000

1,11,000

1,26,000

$$\text{Avg profit} = \frac{90000 + 111000 + 126000}{3}$$
$$= 107000$$

$$\text{G.W} = 1,07,000 \times 2 = 2,14,000$$

$$\text{Peter's share of G.W} = 1,07,000 \times \frac{2}{4}$$

Paul's capital acc dr. 53,500

Prince Capital acc dr. 53,500

To Peter's capital acc 1,07,000

② JLP → 1,00,000 → Peter's share

SLP → $\frac{2}{4} = 50,000$

peter → 50,000

paul → 15,000

prince → 15,000

$$50,000 \times \frac{2}{4} = 40,000$$

90,000

③

Revaluation

$$\text{increase in Asset} \rightarrow 20,000 \times \frac{2}{4}$$

$$\text{peter's share} \rightarrow 10,000$$

④ P & L Adjustment

$$\begin{array}{r} 6000 \rightarrow \text{insurance premium} \\ \times \frac{2}{4} \\ \hline 3000 \end{array} \quad \text{Peter's share}$$

⑤ Share of profit

$$\begin{array}{r} \text{Profit of 2021} \rightarrow 1,50,000 \\ (-) \text{ insurance premium} \quad 6000 \\ \hline 144,000 \\ (+) 25\% \end{array}$$

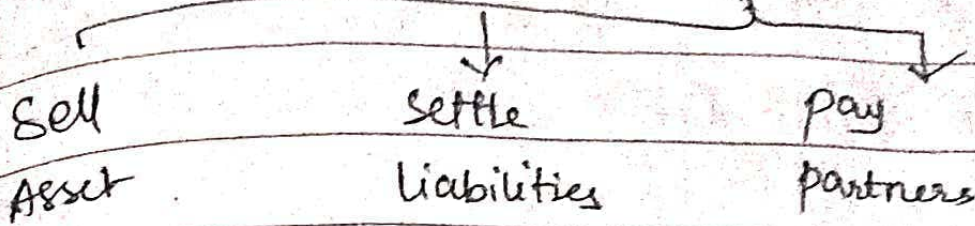
$$\begin{array}{r} \text{Current year profit} \quad 1,80,000 \\ (-) \text{ interest on capital} \rightarrow 1000 \\ \quad (10,000 \times 10\%) \\ \text{Peter's share} \quad 1,79,000 \times \frac{9}{12} \times \frac{2}{4} \\ \hline \end{array}$$

Peter's share of profit 67125

DISSOLUTION OF PARTNERSHIP



closing of partnership firm



Accounting — closing the books
i.e. balance sheet should be Zero.

- ① Transfer Asset & liabilities to Realisation a/c
(except cash & Bank) @ book value

Realisation a/c dr. xxx
To Asset a/c xxx

Liabilities a/c dr. xxx
To Realisation a/c xxx

- ② Asset taken over by partner

Partner's capital a/c dr. xxx
To Realisation a/c xxx } @ Agreed Value.

- ③ Liability settled by partner

Realisation a/c dr. xxx
To Partner's capital a/c xxx } @ Agreed value

④ Sale of Assets

Bank a/c dr. xxx } @ Sale value
To Realisation a/c xxx

⑤ Liabilities settled

Realisation a/c dr. xx } @ settled value
To Bank a/c xx

⑥ Realisation expense

Realisation a/c dr. Rx
To Bank a/c xxx

⑦ Close Realisation a/c

Profit

Realisation a/c dr.
To partner's capital %

Loss

partner's capital dr.
To Realisation

⑧ Close - reserves

Reserves a/c dr. xxx (OPSR)
To partner's capital a/c xxx



9) closing - partners Capital a/c

partner's capital
↓

Cr. Balance

partner's capital
↓

dr. Balance

Partner's capital a/c dr. ₹xx

← To Bank. ₹xx

Bank a/c dr. ₹xx

To partner's capital a/c ₹xx

VSH
KXX

XX
7

Illustration - I

Dr		Realisation a/c		Cr	
To fixed Asset	500,000	By Creditors	3,20,000		
To stock	300,000	By Cash a/c	9,60,000		
To debtors	500,000	By Y's cap a/c	2,50,000		
To Cash	3,04,000	By P.C			
(3,20,000 - 5%)		X $(80,000 \times \frac{4}{9})$	35,555		
To Cash	6000	Y " $\times \frac{3}{9}$	26,667		
		Z " $\times \frac{2}{9}$	17,778		
	16,10,000		16,10,000		

Dr		Partners' capital a/c			Cr			
		X	Y	Z		X	Y	Z
To realisation	—	2,50,000			By Hd	400000	300000	200000
To realisation	35555		26667	17778	By G.R	40,000	30,000	20,000
To Cash	440,000		80,000	2,20,000	By cash	35555	26667	17778
(balancing figure)								

dr.

Cash

Cr.

To balance
b/d 10,000

To Realisation
(500,000 + 4,40,000) 9,60,000

To X's cap 35555

To Y's cap 26667

To Z's cap 17778

10,50,000

By Realisation ac 3,04,000

By Realisation 6000

By X's cap 4,40,000

By Y's cap 80,000

By Z's cap 2,20,000

10,50,000

Insolvency of partner

insolvent partner



Cr. Balance in p. a/c



No problem

insolvent

partner



Dr. Balance in p. a/c



Loss borne by other solvent partners

Capital ↓ ratio

Illustration - 2

Dr.

Realisation a/c

Cr.

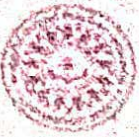
To fixed asset	48,000	By PDD	100
To P & E	12,800	By Creditors	12400
To Motor Vehicle	700	By Q's capital	500
To Stock	3900	(motor vehicle)	
To debtors	2000	By bank a/c	16,600
To Bank a/c	11,700	(Asset sale)	
To Bank a/c	1500	By Partner's capital a/c	
		P ($51,000 \times \frac{3}{6}$)	25500
		Q ($\times \frac{2}{6}$)	17000
		R ($\times \frac{1}{6}$)	8500
	80,600		80,600



111

dr. Partner's capital a/c				Cr.			
	P	Q	R		P	Q	R
To R's current	-	-	400	By bal b/d	20,000	20,000	10,000
To P & L A/c	6000	4000	2000	By R's current	500	9000	-
(12,000 → 3:2:1)				By bank a/c	25,500	17,000	-
To realisation	-	500	-	By bank a/c	-	-	300
To realisation	25,500	17,000	8,500	(9000 × $\frac{1}{3}$)			
To R's cap a/c	300	300	-	By P's cap	-	-	300
To bank	14,200	24,200	-	By Q's cap	-	-	300
(b/f)							
	46,000	46,000	10,900		46,000	46,000	

dr. Cash and Banks a/c		Cr.	
To bal b/d	200	By Realisation a/c	11,700
To realisation a/c	16,600	(pay to creditors)	
(Asset sale)		By realisation a/c	1,500
To P's cap	25,500	By P's loan a/c	8,000
To Q's cap	17,000	By P's cap	14,200
To R's cap	300	By Q's cap	24,200
	59,600		59,600



Pls loan a/c

Dr Bank a/c	8000	By bal	8000
	<u>8000</u>		<u>8000</u>



1. If all partners are Insolvent



Don't transfer Creditors to Realisation a/c

2. Balancing figure in partner's Capital a/c → deficiency a/c

3. Balancing figure in cash → Amt paid to creditors

4. B/f in creditor → deficiency a/c

Illustration - 3

dr.	Realisation a/c		Cr
To plant and machinery	2500	By cash a/c	2300
To furniture	500	(Asset sale)	
To debtors	1000	By Partner's Capital a/c	
To stock	800	Amal $2675 \times \frac{1}{2}$	1338
To cash	175	Bimal $\times \frac{1}{2}$	1337
	<u>4975</u>		<u>4975</u>

dr.	partner's Capital a/c				Cr.
	Amal	Bimal		Amal	Bimal
To drawings	—	550	By bal b/d	750	—
To Realisation a/c	1338	1337	By cash	—	200
			By deficiency	588	1687
			(balancing figure)		
	<u>1338</u>	<u>1887</u>		<u>1338</u>	<u>1887</u>

dr.

Cash a/c

To balance b/d	200
To Realisation a/c (Asset sale)	2300
To Binod capital	200

2700

By realisation a/c	175
By creditors a/c	2525

2700

dr.

Creditors a/c

To cash	2525
To deficiency blaming figure	2275

4800

By balance b/d	4800
----------------	------

4800

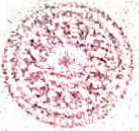


Illustration - 4

Dr.	Realisation a/c	Cr.	
To debtors	15,850	By creditors	15,700
To stock	25,200	By Provident fund	6300
To prepaid exp	800	By Bank a/c	4500
To P & M	20,000	(FLP)	
To patents	8000	By bank a/c	40200
To bank	12,100	(Assets realised)	
(Creditors)		By P.C	6700 9220
To bank	1500	A 16750 x 4	5025 6915
To Bank	6300	B 16 x 10	3350 4610
	89450	C 16 x 10	1675 2305
		D 16 x 10	
			89450
	Partners capital a/c		

Partners' capital a/c

A	B	C	D		A	B	C	D
To debtors	-	3200	-	By balance b/d	40000	20000	-	-
To D's cap	-	-	845					
To Realisation	6700	5025	3350	1675	By bank	9220	6915	4610
To D's cap	5360	2680	-	-	By bank	-	-	2680
(8040 → 2:1)					(10720 x 25%)			
To bank	34640	17320			By A's cap	-	-	5360
					By B's cap	-	-	2680
					By bank	-	3200	-
	49220	26915	7810	10720		49,220	26915	7810
								10730



dr.

Bank a/c

Cr.

To bahanna bill	535	By creditors	12,100
To Realisation a/c	4500	Realisation a/c	
(JLP)		By realisation	1500
To realisation a/c	40200	By A's Cap	34,640
(Assets)		By B's cap	17320
To A's cap a/c	6915		
To B's cap a/c	6915		
To C's cap a/c	4610		
To D's cap	2680		
To C's cap	3200		

Working note

71860

71860

① Creditors	→ 15700
(-) patents	3200
	12500
(-) discount	400
paid	→ 12,100

② Assets Realized	
Debtors	10,800
Stock	15,600
P & M	12000
patents	1800
	<u>40200</u>

③ patents
BV → 8000

(-) Taken by creditor 5000

$$3000 \times 60\% = 1800$$



Illustration - 5

Realisation a/c

To fixed Asset	40,000	By PDD	5000
To Stock	25,000	By Creditors	29,000
To Debtors	25,000	By (25,000 + 4000)	
To Cash a/c	28420	By Mrs. X loan	10,000
(29000 - 2%)		By Cash a/c	61500
To Cash	1080	By P.C a/c	
To X's capital	10,000	X $24000 \times \frac{2}{5}$	9600
		Y $\frac{2}{5}$	9600
		Z $\frac{2}{5}$	4800
	<u>1,19,500</u>		<u>1,19,500</u>

Partners' capital a/c

	X	Y	Z		X	Y	Z
To Advance	—	4000	—	By b/d	29200	10800	10,000
To Realisation	9600	9600	4800	By Realisation	10,000	—	—
To Y's ap	3278	—	1122	By Cash a/c	9600	—	4800
(4400 →				By X's ap	—	3278	—
29200:10,000)				By Z's ap	—	1122	—
To Cash	34322	—	8100				
	<u>47200</u>	<u>13600</u>	<u>14000</u>		<u>47200</u>	<u>13600</u>	<u>14000</u>

~~29200~~
~~10,000~~

Y → $\frac{29200 \times 4400}{39200}$



Cash a/c

To balance b/d	1000	By realisation	28420
To realisation a/c	61500	By realisation	1080
To x's cap a/c	9600	By z's loan	5000
To z's cap a/c	4800	By x's cap a/c	34322
		By z's cap	8078
	<u>76900</u>		<u>76900</u>

z's loan a/c

To cash	5000	By balance b/d	5000
	<u>5000</u>		<u>5000</u>

Mrs. X loan a/c

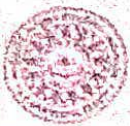
	By balance b/d	10,000
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Illustration - 9

dr.	Realisation a/c		Cr.
To debtors	25,000	By Reserves	15,000
To stock	35,000	By P's capital	15,750
To furniture	40,000	By bank	20,125
To Machinery	60,000	By bank	80,000
To bank (repairs)	2,000	By Bank	25,000
		By bank	22,500
to bank	20,000	By bank	1245
To P.C	1310		
P $2620 \times \frac{1}{2}$	1310		
Q $\times \frac{1}{2}$	1310		
	<u>1,89,620</u>		<u>1,89,620</u>

dr.	partners' capital a/c				Cr.
	P	Q		P	Q
To realisation	15750	—	By bal b/d	109000	50,000
To p's current a/c	10,000	—	By Q's current	—	10000
To bank	83060	68,810	By Reserves	7500	7500
(b/f)			By realisation	1310	1310



Dr.		Bank a/c		Cr.	
To balance b/d	30000	By balance b/d		5000	
To Realisation	20125	By realisation		2000	
To realisation	80,000	By realisation		29000	
To realisation	25,000	By P's cap		83,060	
To realisation	22500	By Q's cap		68,810	
(25,000 x 90%)					
To realisation	1245				
	<u>1,78,870</u>			<u>1,78,870</u>	

Working note :

(1)

Stock

35000

50 %

17500

(-) 10%

15750

partly
taking

17500

(+) 15%

20125



Practical Question - 3

Dr.		Realisation a/c		Cr.
To Land	1,35,000		By PDD	6000
To P & M	45,000			
To furniture	25,500		By loan from D	1,20,000
To Investments	15,000		By Creditors	30,000
To Book debts	60,000		By Bills payable	12,000
To Stock	36,000		By outstanding salary	7500
To Bank	15,000		By Kumar's cap a/c	12,150
To Amit capital	30,000		By Bank	2,56,200
To Bank (creditors)	18,000		By Amit cap	12,750
To Bank	9,500		By p.c.a/c	Amit 23610
To bank	11,940		Sunit +	23610
To bank	7500 ✓		Kumar 2:2:1	
				4,56,600

There is no partner's capital a/c

Amit Sumit Kumar			Amit Sumit Kumar		
To b/d	-	32400	By b/d	55200	55200
To Realisation	-	12150	By G/R	24600	24600
To Realisation	12150	-	By Realisation	3000	-
	12150		By Realisation	9264	9264
To bank	79314	19064	By bank a/c	-	-
(b/f)		89064			27618
	92064	89,064		92,064	89,064
		44550			44550

Dr.

Bank a/c

Cr.

To bal b/d	13500	By realisation	15,000
To realisation	256200	By realisation	18,000
To Kumar's Capital	27618	By realisation a/c	61,500
		By realisation a/c	11,940
		By realisation	1500
		By Kumar's loan	15,000
		By Armit cap	79214
		By sumit cap	19800 89064
	<u>2,97,318</u>		<u>2,97,318</u>

Kumar's loan a/c

To bank a/c	15000	By bal b/d	15,000
	<u>15,000</u>		<u>15,000</u>

Working note

① Creditors → 30,000
 (-) furniture 10,800
19200

(-) 6.25%

Am't paid → 18,000

② Assets realised

③ furniture

Bal → 25500

Given (-) 121000
to creditors

Kumar 13,500
x 90%
→ 12150

Stock 36,000 x 120%
= 43200

Debts (60000 - 12000)
= 48000

Land = 1,65,000

2,56,200

④ Investments 15,000

(-) 15%

Taken over
by Anil
12750

⑤ D's loan 120000

50%

60,000

↓

P&N
(+)

Cash 7500

60,000

(-) 10%

54,000

61,500

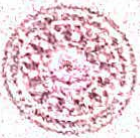
⑥ Bills payable

Bal → 12000

(-) Rebate

$(12000 \times 6\% \times \frac{1}{12})$ 60

Amt paid → 11940



PIECEMEAL DISTRIBUTION

↓
Distribution of cash when received
in installments

↓
To partners.

↓
Maximum loss method Higher relative Capital method.

Maximum loss method → eg. PSR - 3:2:1
 X → 50k Amt received
 Y → 30k ↓
 Z → 20k 20k
 ↓
 Every Installment
 ↓
 Considered as last installment.

$$\text{Max loss} = 1L - 20k = 80k$$

$$\begin{array}{r} 50,000 \\ (40,000) \\ \hline 10,000 \end{array} \quad \begin{array}{r} 3:2:1 \\ 3333 \\ 2222 \\ 1111 \\ \hline 6666 \end{array}$$

Step 1 :- Compute Max loss

↓

$$\text{Max loss} = \text{Amt payable to } (-) \text{ Amt available to partners}$$

Step 2 :- Distribute Max loss in PSR

Step 3 :- Compute Amt to be paid
↳ Balance payable (-) Max loss

Step 4 :- If any partner has negative in step 3
follow. Garner vs Murray Rule

Step 5 :- Repeat all steps for all the
installments.

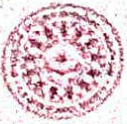


illustration - 6

Statements showing distribution of cash.
(Under maximum loss method)

Particulars	Int on loan of spouse	Int on loan of partner	A	B	C
Balance payable	2000	1000	9600	6000	8400
<u>Sale of investments</u>					
Amt received					
↓					
1000	1000	-	-	-	-
Balance payable	1000	1000	9600	6000	8400
<u>furniture sale</u>					
↓ (2000)					
Amount received	1000	1000	-	-	-
2000 Balance payable	-	-	9600	6000	8400
<u>Sale of Machinery</u>					
Amt → 1200					
Max loss = 24000 - 1200					
= 22800					
↓					
5:3:2				(6840)	(4560)
			(11,400)	7600	6840
			(1800)	(840)	3840
Adjustment			1800	840	2640
Amount paid			-	-	1200
Balance payable	-	-	9600	6000	7200



Sale of stock

Amt $\rightarrow 4000$

Max $\rightarrow 22800 - 4000$
 $= 18,800$

$\downarrow$
5:3:2

Amount paid

Loss of

partners

		(9400)	(5640)	(3760)
		200	360	3440
		9400	5640	3760

Illustration - 7

Statements

Showing

distribution of cash (under

Max 10% method)

Particulars	Creditors	A's loan	A	B	C
Balance payable	2000	5000	15,000	18,000	9000
<u>I Installment</u>					
Cash → 500					
(+) Amt received 1000					
(-) Amt kept aside for realization exp 500					
Amt available 1000	(1000)	-	-	-	-
Balance payable	1000	5000	15,000	18,000	9000
<u>II installment</u>					
Amt received 3000	(1000)	(2000)	-	-	-
Balance payable	-	3000	1500	18000	9000
<u>III installment</u>					
Amt received 2900	-	(3000)	-	-	-

Balance payable

Amt available 900
 Max loss = 42,000 - 900
 = 41,100 → 2:2:1

Adjustment

1440 → 2:1

Amt paid

Balance payable

IV installment

Amt received → 6000

Max = 41,100 - 6000

= 35,100

Amt paid

Balance payable

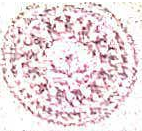
V installment

Amt recd 20,100

Max loss = 35,100 - 20,100 = 15,000

Loss of partners

	15,000	18,000	9,000
	(16,440)	(16,440)	(8,220)
	(1440)	1560	780
	1440	(960)	(1,480)
	—	600	300
	15,000	17,400	8,400
	(14,040)	(14,040)	(7,020)
	960	3360	1680
	14,040	14,040	7,020
	(6,000)	(6,000)	(3,000)
	8,040	8,040	420



HIGHER RELATIVE CAPITAL METHOD

Arnt payable to partner

Will be paid to
such partner
who has higher
relative Capital

Compared to other partners

9.

X

7

2

212

30 k

20K

10 K

2

2

15,000

10,000

10,000

10000 - $\frac{1}{5}$

20,000

20,000

10,000

1. 7

50000 $\rightarrow$ 2:2:1

HRC

10,000

$$(30,000 - 20,000)$$

distribution

10,000

→ x

After that

2 : 2.1

Step 1:- Divide the capital by PSR

Step 2 ÷ Whichever partner has least resultant figure keep that partner Capital Base and compute required capital.

Step 3 :- Distribute required Capital in PSR.

Step 4 $\div$ HRC = Existing capital - Required Capital



Illustration - 8

Computation of HRC

Working note
is important.

Capital

A

B

C

76000

48000

36000

PSR

2

2

1

38,000

24,000

36,000

Keeping B's cap as

base

48,000 - $\frac{2}{5}$

- 1

Required cap $\rightarrow$ 120000

48000

48000

24000

$\frac{2}{2} : \frac{2}{2} : 1$

HRC $\rightarrow$

28,000 ✓

-

✓ 12,000

PSR

2

1

14,000

12,000

Keeping C's HRC
as base

12,000 - $\frac{1}{3}$

2 - 1

36,000 $\frac{2}{1} \rightarrow$

(24,000) ✓

✓ (12,000)

4000

-

xx
12

4000 $\longrightarrow$ A

→ ₹ 4000 → A

→ ₹ 24000 ₹ 12000

(2:1)

A

c

After that $\rightarrow$ All partners $\rightarrow 2:2:1$

Creditors	B's loan	A	B	C
30,000	10,000	76,000	48,000	36,000
(29,000)	(1600)	—	—	—
Discount (1000)	8400	76000	48000	36000
—	(8400)	—	—	—
—	—	76000	48000	36000
—	—	(4000)	—	—
—	—	(24000)	(48000)	(12000)
—	—	(46400)	(4640)	(320)

Particulars

Balance payable

5/11/22

~~And feared~~

Cash → 10800

25200	361000
-------	--------

Ant

kept reader
exp
3600

Balance payable

22

50181	69000
Amul	yeu

2nd av 51,600

front available

47600

2:11



Balance payable

15/7/22

Ant
receivable 80,000

Ant
revenue

1400

Realisation exp
81400

2:2:1

Loss of partners

21680

43360 43360

(32500) (32500) (16280)

10800 10800 5400



dw

V5H
X2X



dr.

partners' current a/c

Cr.

Thin	Short	Fat	Thin	Short	Fat
To b/d	-	14500	By b/d	29700	11,300
To p. cap	29700	11,300	By partners	-	14500
			capital a/c		
29700	11,300	14500	29700	11300	14500

dr.

Bank a/c

Cr.

To realisation	2,74,440	By balance	44,330
To Thin's cap a/c	14,216	By realisation	4500
To Short's cap a/c	14,216	By realisation	84,650
		By Thin's cap a/c	1,08,710
		By Short's cap a/c	60,682
	3,02,872		3,02,872

WN :- ① Assets realised

Premises	60,000
plant	107500
fixtures	20,000
Stock	41040
(43200 - 5%)	
Debtors	45900
	<u>2,74,440</u>