

21 (a)	Cash A/c	Dr..	2000	
		To Premium for Goodwill A/c		2000
	Premium for Goodwill A/c	Dr..	2000	
		To B Capital A/c		1200
		To C Capital A/c		800

Note :

Sacrificing ratio of old partners will remain same as old profit sharing ratio

21 (b) Sacrificing Ratio

B	C	Total
1/6	1/12	
2	1	3

	Cash A/c	Dr..	2100	
		To Premium for Goodwill A/c		2100
	Premium for Goodwill A/c	Dr..	2100	
		To B Capital A/c		1400
		To C Capital A/c		700

22 Calculation of New Profit sharing Ratio

Old Profit Sharing Ratio

B	C	Total
3	1	4

D is admitted as a new partner for share $\frac{1}{3}$

Let the total profits be Rs 1 1

New partner Share $\frac{1}{3}$

Remaining share $\frac{2}{3}$

B's new share $\frac{2}{3} \times \frac{1}{2}$ $\frac{1}{3}$

C's new share $\frac{2}{3} \times \frac{1}{2}$ $\frac{1}{3}$

New Profit Sharing ratio

B	C	D	Total
$\frac{1}{3}$	$\frac{1}{3}$	$\frac{1}{3}$	
1	1	1	3

Sacrificing Ratio

B	C	Total
$\frac{5}{12}$	- $\frac{1}{12}$	

Sacrifice Gain

D's share of Goodwill 15000
 D's share in profits 1/3
 Total Goodwill of the firm 45000

C's share of Goodwill 3750

Journal Entries

Cash A/c Dr.. 15000
 To Premium for Goodwill A/c 15000

(New partner brought share of Goodwill in Cash)

Premium for Goodwill A/c Dr.. 15000
 C's Capital A/c Dr.. 3750
 To B's Capital A/c 18750 **(15000 + 3750)**

Check 45000X5/12 18750

23 Old Profit Sharing Ratio

Geeta	Sunita	Total
3	2	5

New Profit Sharing Ratio

Geeta	Sunita	Anita	Total
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5	3	2	10
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Sacrificing Ratio

Geeta	Sunita	or
1/10	1/10	
1	1	

Anita's share of Goodwill 25000

Cash A/c Dr.. 25000
 To Premium for Goodwill A/c 25000

Premium for Goodwill A/c 25000
 To Geeta's Capital A/c 12500 *(In Sacrificing ratio)*
 To Sunita's Capital A/c 12500 *(In Sacrificing ratio)*

24 Old Profit Sharing Ratio

A	B	Total
5	3	8

New Partner Admitted C

A surrendered	1/10
B surrendered	1/10

A new share	$\frac{21}{40}$	$\frac{5}{8} - \frac{1}{10}$
B new share	$\frac{11}{40}$	$\frac{3}{8} - \frac{1}{10}$

C share $\frac{1}{5}$

New Profit Sharing ratio	A	B	C	or
	$\frac{21}{40}$	$\frac{11}{40}$	$\frac{1}{5}$	
	21	11	8	

Sacrificing Ratio (Old Share - New Share)	A	B
	$\frac{1}{10}$	$\frac{1}{10}$
	1	1

Alternately,

Sacrificing ratio can be directly calculated from the the information given in the question as this is a "FROM" question

Total Goodwill of the firm	60000
C's Share	12000
Bank A/c	40000
To C's Capital A/c	40000

(Being capital brought in by new partner)

Bank A/c	Dr..	12000
To Premium for Goodwill A/c		12000

Premium for Goodwill A/c	Dr..	12000	
To A's Capital A/c			6000 (Sacrificing ratio)
To B's Capital A/c			6000

25 Old Profit Sharing Ratio

Adil	Bhavya
7	5

New Partner Admitted Cris

Adil surrendered	$\frac{1}{24}$
Bhavya surrendered	$\frac{1}{8}$

Adil new share	$\frac{13}{24}$	$(\frac{7}{12} - \frac{1}{24})$
Bhavya new share	$\frac{7}{24}$	$(\frac{5}{12} - \frac{1}{8})$

Cris share $\frac{1}{6}$

New Profit Sharing ratio

Adil	Bhavya	Cris
$\frac{13}{24}$	$\frac{7}{24}$	$\frac{1}{6}$
13	7	4

or

Sacrificing Ratio (Old Share - New Sha

Adil	Bhavya
1/24	1/8
1	3

Cris's Share of Goodwill 36000.00

Bank A/c Dr.. 136000
 To Premium for Goodwill A/c 36000
 To Cris's Capital A/c 100000

Premium for Goodwill A/c Dr.. 36000
 To Adil's Capital A/c 9000
 To Bhavya's Capital A/c 27000

P & L Appropriation A/c Dr.. 240000
 To Adil's Capital A/c 130000
 To Bhavya's Capital A/c 70000
 To Cris's Capital A/c 40000

26 Old Profit Sharing Ratio

A	B	Total
3	2	5

New Profit Sharing Ratio

A	B	C	Total
5	3	2	10

Sacrificing Ratio

A	B
1/10	1/10
1	1

 or

C's share of Goodwill

10000

Journal Entries

A's Capital A/c

1800

B's Capital A/c

1200

To Goodwill A/c Dr..

3000

(Being old Goodwill written off)

Bank A/c Dr..

40000

To C's Capital A/c

30000

To Premium for Goodwill A/c

10000

(Being Capital and share of Goodwill brought in by new partner)

Premium for Goodwill A/c Dr..

10000.00

To A's Capital A/c

5000

To B's Capital A/c

5000

27 Old Profit Sharing Ratio

Anu	Bhagwan
3	1

New Profit Sharing Ratio

Anu	Bhagwan	Raja
2	2	1

Sacrificing Ratio

Anu	Bhagwan	or
$\frac{7}{20}$	$-\frac{3}{20}$	
1	1	
Sacrifice	Gain	

Total Goodwill of the firm	250000
Raja's share of Goodwill	50000
Bhagwan's Gain	37500

Journal Entries

Anu's Capital A/c	330000	In Old Ratio
Bhagwan's Capital A/c	110000	
To Goodwill A/c	Dr..	440000
(Being old Goodwill written off)		

Bank A/c	Dr..	150000	
	To Raja's Capital A/c		100000
	To Premium for Goodwill A/c		50000

(Being Capital and share of Goodwill brought in by new partner)

Premium for Goodwill A/c	Dr..	50000.00	
Bhagwan's Capital A/c		37500.00	
	To Anu's Capital A/c		87500.00

28	Total Goodwill of the firm	600000	
	Z's Share	150000	(1/4) of 6L

Since no information on new profit sharing ratio is given so old partners will sacrifice in the old profit sharing ratio

X's Share in Goodwill	90000	(3/5 of 1.5L)
Y's Share in Goodwill	60000	(2/5 of 1.5L)

Journal Entries

Stock A/c	Dr..	60000	
Debtors A/c	Dr..	80000	
Land A/c	Dr..	100000	
Plant & Machinery A/c	Dr..	40000	
	To Z's Capital A/c		130000 (Balancing Figure)

To Premium for Goodwill A/c 150000
 (Being assets brought in by new partner for capital and share of Goodwill)

Premium for Goodwill A/c Dr.. 150000
 To X's Capital A/c 90000
 To Y's Capital A/c 60000
 (Goodwill transferred to Old partners capital A/c)

Case (i) No additional entry required

Case (ii) Ram Capital A/c Dr.. 45000
 Mohan Capital A/c Dr.. 30000
 To Cash 75000

29 Total Goodwill of the firm 600000
 C's Share 150000

Since no information on new profit sharing ratio is given so old partners will sacrifice in the old profit sharing ratio

Sacrificing Ratio

A	B
1	2

Bank A/c Dr.. 14000
 To C's Capital A/c 8000

To Premium for Goodwill A/c 6000

(Being Capital brought in by new partner and his share of Goodwill)

Premium for Goodwill A/c	Dr..		6000	
To A's Capital A/c				2000
To B's Capital A/c				4000

(Goodwill transferred to Old partners capital A/c)

A's Capital A/c	Dr..		2000	
B's Capital A/c	Dr..		4000	
To Bank A/c				6000

(Amount of Goodwill withdrawn by old partners)

Calculation of New Profit Sharing Ratio

Let the total profits be 1	1
C's share	1/4
Remaining share	3/4

A's new share	(3/4 X 1/3)	1/4
B's new share	(3/4 X 2/3)	1/2

New Profit Sharing Ratio

A	B	C	
1/4	1/2	1/4	or
1	2	1	

Partners Capital A/c

Partners Capital A/c							
Particulars	A	B	C	Particulars	A	B	C
To Bank A/c	2000	4000		By Balance B/d	8000	10000	
				By Bank			8000
				By Premium for Good	2000	4000	0
To Balance C/d	8000	10000	8000				
Total	<u>10000</u>	<u>14000</u>	<u>8000</u>	Total	<u>10000</u>	<u>14000</u>	<u>8000</u>

30 Old Profit Sharing Ratio

A	B	Total
3	2	5

New Profit Sharing Ratio

A	B	C	Total
2	2	3	7

Sacrificing Ratio

A	B	
11/35	4/35	or
11	4	

Journal Entries

Bank A/c	Dr..	350000	
	To C's Capital A/c		200000
	To Premium for Goodwill A/c		150000

(Being Capital and share of Goodwill brought in by new partner)

Premium for Goodwill A/c	Dr..	150000	
	To A's Capital A/c		110000
	To B's Capital A/c		40000

A's Capital A/c	Dr..	55000	
B's Capital A/c	Dr..	20000	
	To Bank A/c		75000

