

11 Profits from 01-Apr-2020 to 31-Dec-2020

600000

Journal Entry

Date	Particulars	Dr Amt	Cr Amt
31-Dec-20	Profit and Loss Apppropriation A/c Dr..	600000	
	To Anil Capital A/c		200000
	To Sunil Capital A/c		200000
	To Hari Capital A/c		200000
	(Being profit upto date of death transferred to partner's capital A/c)		

Working Note :

Since final accounts upto the date of death are prepared so profit and loss suspense A/c will not be used

12 **Journal Entry**

Date	Particulars	Dr Amt	Cr Amt
25-Feb-19	Profit and Loss Suspence A/c Dr..	5000	
	To B's Capital A/c		5000
	(Being deceased partner share of profit upto date of death)		

13	Profit for the year ended 31-Mar-2021	14000
	Less - Adjustment for Bad Debts	2000
	Assumed profits for the year 31-Mar-2022	12000
	Assumed profit upto 30-Jun-2021 (3 months)	3000 (12000 X 3 /12)
	B's share in profits	1000 (3000 X 1 / 3)

14 Calculation of Average Profits of last 3 years

Date of Death	30-Jun-22 Apr 2022 to Jun 2022	
Profit for the year ended 31-Mar-2020	110000	2018-2019
Profit for the year ended 31-Mar-2021	120000	2019-2020
Profit for the year ended 31-Mar-2022	130000	2020-2021
Total	360000	
Average for 12 months	120000	$120000/12*3$
Assumed profits from 01-Apr-2022 to 30-Jun-2022	30000	$(120000 X 3 / 12)$
Hari's share in profits	1/3	
Hari share upto the date of death	10000	

Journal Entry

Date	Particulars	Dr Amt	Cr Amt
30-Jun-22	Profit and Loss Suspence A/c Dr.. To Hari's Capital A/c (Being deceased partner share of profit upto date of death)	10000	10000

15	Profits for the period 01-Apr-2022 to 30-Jun-2022	360000
	Y's share in profits	1/3
	Y's share in profits till the date of death	120000

Journal Entry

Date	Particulars	Dr Amt	Cr Amt
30-Jun-22	Profit and Loss Suspence A/c Dr.. To Y's Capital A/c (Being deceased partner share of profit upto date of death)	120000	120000
30-Jun-22	X's Capital A/c Dr.. Z's Capital A/c Dr.. To Profit and Loss Suspence A/c (Being profit share of deceased partner adjusted in gaining ratio)	36000 84000	(120000 X 3/10) (120000 X 7/10) 120000
	OR		
30-Jun-22	X's Capital A/c Dr..	36000	

Reeta's share in profits upto date of death 50000

Journal Entry

Date	Particulars	Dr Amt	Cr Amt
31-Jul-22	Profit and Loss Suspence A/c Dr.. To Reeta's Capital A/c (Being deceased partner share of profit upto date of death)	50000	50000

17 Last year's Loss 200000

Loss for 3 months (Upto 30th June) 50000 (200000 X 3 / 12)

Manoj share in profits 2/5

Manoj's share in loss upto date of death 20000

Journal Entry

Date	Particulars	Dr Amt	Cr Amt
30-Jun-22	Manoj Capital A/c Dr.. To Profit and Loss Suspence A/c (Being deceased partner share of loss upto date of death)	20000	20000

18 **Calculation of Average Profits of last 3 years**

Profit for the year ended 31-Mar-2019	18000
Profit for the year ended 31-Mar-2020	19000
Profit for the year ended 31-Mar-2021	17000
 Total	 54000
 Average for 12 months	 18000
 Assumed profits from 01-Apr-2021 to 31-May-2021	 3000 (120000 X 2 / 12)
 Z's share in profits	 1/3
 Z share upto the date of death	 1000

(a) Journal Entry

Date	Particulars	Dr Amt	Cr Amt
31-May-21	Profit and Loss Suspence A/c Dr.. To Z's Capital A/c (Being deceased partner share of profit upto date of death)	1000	1000
31-Mar-22	Profit and Loss Appropriation A/c Dr.. To Profit and Loss Suspence a/c	1000	1000

(b) Journal Entry

Date	Particulars	Dr Amt	Cr Amt
31-May-21	Profit and Loss Suspence A/c Dr.. To Z's Capital A/c	1000	1000

(Being deceased partner share of profit upto date of death)			
X's Capital A/c	Dr..	800	(Gaining ratio)
Y's Capital A/c	Dr..	200	
	To Profit and Loss Suspence A/c		
(Being profit share of deceased partner adjusted in gaining ratio)			
OR			
X's Capital A/c	Dr..	800	(Gaining ratio)
Y's Capital A/c	Dr..	200	
	To Z's Capital A/c		
(Being profit share of deceased partner adjusted in gaining ratio)			

Working Note :

Calculation of Gaining Ratio

New Profit sharing ratio	X	Z	Total
	3	2	5

Old profit sharing ratio	X	Y	Z	Total
	1	1	1	3

Gaining ratio	X	Z	Total	or
	4/15	1/15	1/3	
	4	1	5	

19	Sales for the year 31-Mar-2021	1000000
	Profits for the year ended 31-Mar-2021	100000
	Profit ratio	10% (100000 / 1000000 x 100)
	Sales during the period Apr 2021 to Jun 2021	150000 (Given in the question)
	Assumed profits for the period Apr 2021 to Jun 2021	15000 (150000 x 10/100)
	C's share in profits	1/5
	C's share in profits for the period Apr 2020 to Jun 2020	3000

20	Sales for the year 31-Mar-2021	500000
	Profit ratio for the purpose of deceased partner share	20% (as required by the question)
	Sales during the period Apr 2021 to Jun 2021	140000
	Assumed profits for the period Apr 2021 to Jun 2021	28000 (140000 X 20/100)
	Shreya's share in profits	1/5
	Shreya's share in profits for the period Apr 2020 to Jun 2020	5600 (28000 X 1/5)

Journal Entry

Date	Particulars	Dr Amt	Cr Amt
30-Jun-20	Profit and Loss Suspence A/c Dr.. To Shreya's Capital A/c (Being deceased partner share of profit upto date of death)	5600	5600