

	(Being amount paid to Bank on dishonour of BR)			
	Bank A/c Dr..	300		
	To Realization A/c		300	
	(Being amount realized from Soham's estate)			
	Note : After discounting the BR was not appearing in our books Now when it is dishonoured it is accounted like an unrecorded asset			
f)	Realization A/c Dr..	1250		(6000-(5000*0.95))
	To Cash A/c		1250	
	(Being amount paid to creditors)			
	Note : No entry to be passed for creditors settled against stock			

12	a)	Realization A/c Dr..	6000		
		To Kunal Capital A/c		6000	
		(Being Kunal's wife loan paid by Kunal)			
		<i>Note : Kunal wife loan is an outside liability) Though Kunal pays now but later he will get amt back</i>			
	b)	Realization A/c Dr.. (40000-10000) X 0.9	27000		

b)	Rajan Loan A/c Dr.. To Bank A/c To Realization A/c (Being loan from Rajan paid off)	60000	58000 2000
c)	Suman Capital A/c Dr.. Rajan Capital A/c Dr.. To Profit and Loss A/c (Being debit balance in P&L A/c distributed among partners)	30000 10000	40000
d)	Realization A/c Dr.. To Suman Capital A/c To Rajan Capital A/c	12000	9000 3000

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a)	Bank A/c Dr.. To Realization A/c (Being part amount received on settlement of creditors)	140000	140000
b)	No entry for liability settled against asset		
c)	Realization A/c Dr.. To Bank A/c (Being amount paid to creditors)	45000	45000

d)	Lal Capital A/c Pal Capital A/c To Profit and Loss A/c (Being loss on dissolution distributed among the partners)	4500 10500	15000
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15	a)	Realization A/c Dr.. To Bank A/c (Being amount paid to Bank on dishonour of BR)	2500	2500
		Bank A/c Dr.. To Realization A/c (Being amount realized from Soham's estate)	1250	1250
		Note : After discounting the BR was not appearing in our books Now when it is dishonoured it is accounted like an unrecorded asset As of now entry will be passed only for Rs 2500 creditor who became insolvent)		
	b)	Realization A/c Dr.. To Shiv Capital A/c (Being contingent liability paid by Shiv)	50000	50000

	Note : Contingent Liability is an unrecorded liability			
c)	Realization A/c	Dr..	10000	
		To Bank A/c		10000
	(Being compensation paid to workmen)			
d)	Realization A/c	Dr..	3500	
		To Bank A/c		3500
	(Being compensation paid to customer)			

16	a)	P's Capital A/c	Dr..	90000	
			To Realization A/c		90000
		(Being stock taken over by P)			
		Bank A/c	Dr..	125000	
			To Realization A/c		125000
		(Being stock sold)			
	b)	Bank A/c	Dr..	205000	
			To Realization A/c		205000
		(Being amount realized from debtors)			
	c)	Bank A/c	Dr..	1470000	
			To Realization A/c		1470000

	(Being amount realized from sale of land and building)		
d)	No entry as liability settled against the asset		
e)	Bank A/c Dr.. To Realization A/c	75000	75000
	(Being amount realized from sale of investment)		
f)	No entry Since nothing mentioned about amount realized so it will be assumed that these realized nothing		
g)	Realization A/c Dr.. To Bank A/c	10000	10000
	(Being amount paid to creditors)		
	Realization A/c Dr.. To Bank A/c	72000	72000
	(Being amount paid to creditors)		
	Note :	Part 1	Part 2
	Total creditors	160000	160000
	Half Value	80000	80000
	Less - Discount given	16000	8000
		64000	72000
	Less - Stock taken	54000	

	Deepa Capital A/c	Dr..	6000	
		To Bank A/c		6000
	(Being actual realization expenses paid by firm and borne by Deepa)			
	OR			
	Combined Single Entry			
	Realization A/c	Dr..	7000	
		To Deepa Capital A/c		1000
		To Bank A/c		6000
	(Being realization expenses)			
d)	No Entry required			
	Understand below how debit and credit gets set off			
	Realization A/c	Dr..	7500	
		To Dev Capital A/c		7500
	(Being remuneration payable to Dev for realization expenses)			
	Dev Capital A/c	Dr..	7500	
		To Realization A/c		7500
	(Being stock taken over by Dev)			
e)	Realization A/c	Dr..	10000	
		To Jeev Capital A/c		10000
	(Being remuneration payable to Dev for realization expenses)			

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Realization A/c

Particulars		Amount	Particulars		Amount
To Debtors		240000	By Creditors		170000
To Stock		130000	By Ramesh Capital A/c - Stock		55000
To Furniture		200000	By Bank A/c		
To Machinery		930000	Stock	50000	
To Bank A/c			Debtors	228000	
Creditors	170000		Machinery	450000	728000
Unrecorded Bill	140000	310000	By Umesh Capital A/c-Furniture		50000
			By Loss transferred to :		
			Ramesh Capital A/c	564900	
			Umesh Capital A/c	242100	807000
Total		1810000	Total		1810000

Following not required in Question but given here only for knowledge on full structure of solution

Partners Capital A/c

Particulars	Ramesh	Umesh	Particulars	Ramesh	Umesh
To Umesh Current A/c		50000	By Balance B/d	700000	300000
To Realization A/c-Stock	55000		By Workmen Compensation Reserve	147000	63000
To Realization A/c-Furniture		50000	By General Reserve	140000	60000
To Realization A/c-Loss	564900	242100	By Ramesh Current A/c	80000	

To Bank A/c	447100	80900		
Total	1067000	423000	Total	1067000 423000

Bank A/c

Particulars	Amount	Particulars	Amount
To Balance B/d	110000	By Realization A/c-Creditors, Bill	310000
To Realization A/c-Assets	728000	By Partner Capital A/c	
		Ramesh	447100
		Umesh	80900
			528000
Total	838000	Total	838000

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Realization A/c

Particulars	Amount	Particulars	Amount
To Building A/c	120000	By Provision for Doubtful Debts	4000
To Investment A/c	30600	By Creditors	80000
To Debtors A/c	34000	By Mrs Pradeep Loan	40000
To Bills Receivable A/c	37400	By Investment Fluctuation Fund	8000
To Goodwill A/c	4000	By Bank A/c	
To Pradeep Capital A/c - Wife's Loan	40000	Debtors	12000
To Bank A/c		Building	152000
Creditors	59000	Bills Receivable	36000
To Bank A/c - Realization Expenses	2500	By Rajesh Capital A/c-Investment	27000

To Pradeep Capital A/c - Commission		1000		
To Profit on Realization transferred :				
Pradeep Capital A/c	18300			
Rajesh Capital A/c	12200	30500		
Total		359000	Total	359000

Following not required in Question but given here only for knowledge on full structure of solution

Partners Capital A/c

Particulars	Pradeep	Rajesh	Particulars	Pradeep	Rajesh
			By Balance B/d	42000	42000
			By Realization A/c - Profit	18300	12200
To Profit and Loss A/c	4800	3200	By Realization A/c- Commission	1000	
To Realization		27000	By Realization A/c - Wife's Loan	40000	
To Bank A/c	96500	24000			
Total	101300	54200	Total	101300	54200

Bank A/c

Particulars	Amount	Particulars	Amount
To Balance B/d	6000	By Realization A/c - Creditors	59000
		By Realization A/c - Expenses	2500
		By Rajesh Loan	24000
To Realization A/c - Assets	200000	By Partner Capital A/c	

		Pradeep	96500	
		Rajesh	24000	120500
Total	206000	Total		206000

Working Note :

1 Following will not be transferred to Realization A/c from assets side

Bank , Profit and loss A/c

2 No entry required for debtors used to pay off creditors

3 Amount paid to creditors

Total Creditors 80000

Less - Paid through Debtors @ 25% 20000 (No entry required)

Balance 60000

Less - Discount 10% PA for 2 months 1000 (60000X10/100*2/12)

Payment 59000

4 Investment Fluctuation fund is related to investment so this will be transferred to Realization A/c

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Realization A/c

Particulars	Amount	Particulars	Amount
To Stock	24000	By Trade Creditors	42000
To Debtors	19000	By Employees Provident Fund	60000

To Furniture	40000	By Mrs Ashish Loan	9000
To Plant	210000	By Investment Fluctuation Reserve	4000
To Investments	32000	By Ashish Capital A/c - Furniture	38000
To Ashish Capital A/c - Mrs Ashish Loan	9000	By Bank	
To Kanav Capital A/c - Realization Exp	12000	Debtors	18500
To Bank - Employees Provident Fund	60000	Plant (210000 X 1.1)	231000
		Stock	15840
			265340
		By Kanav Capital A/c - Stock	7680
To Profit on Realization transferred :			
Ashish Capital A/c	12012		
Kanav Capital A/c	8008		
	20020		
Total	426020	Total	426020

Working Note :

- 1 No entry required for creditors settled against investments
- 2 Kanav Took Stock at (24000 X 40/100 X 80/100)