11	a)	Cash/Bank A/c Dr	32500		
		Aman Capital A/c Dr	22500		
		To Realization A/c		55000	
		(Being part furniture taken over by partner and balance sold)			
	b)	Profit and Loss A/c Dr	15000		
		To Aman Capital A/c		7500	
		To Harish Capital A/c		7500	
		(Being balance in profit and loss distributed among partners)			
	c)	Harsh's Loan A/c Dr	6000	,	dec
		To Cash		5500	dec
		To Realization A/c		500	inc
		(Being Harsh loan settled)			
	d)	Harsh Capital A/c Dr	5000		
		To Bank A/c		5000	
		(Bein realization expenses paid by firm on behalf of Harsh)			
	e)	Realization A/c Dr	1200		
		To Bank A/c		1200	
	•			•	

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

12	a)	Realization A/c	Dr		6000		
		To Kunal Capital A	/c			6000	
		(Being Kunal's wife loan pa	if by Kun	al)			
		Note : Kunal wife loan is an Though Kunal pays I		liability) later he will get amt back			
	b)	Realization A/c	Dr	(40000-10000) X 0.9	27000		

	To Bank A/c		27000
	(Being amount paid to creditors)		
c)	Rohit Loan A/c Dr To Bank A/c (Being Rohit loan paid)	70000	70000
d)	Kunal Capital A/c Dr To Realization A/c (Being machine taken over by Kunal)	3000	3000
e)	Rohit Capital A/c Dr Kunal Capital A/c Dr Sarthak Capital A/c Dr To Profit and Loss A/c (Being debit balance in P&L A/c distributed among partners)	5000 5000 5000	15000
f)	Realization A/c Dr To Sarthak Capital A/c (Being remuneration to Sarthak for Realization expenses)	15000	15000

13	a)	Realization A/c	Dr	10000		
		To Bank A/c			10000	
		(Being realization expense)	nses paid by firm)			

	1	1 1	1
b)	Rajan Loan A/c Dr	60000	
	To Bank A/c		58000
	To Realization A/c		2000
	(Being loan from Rajan paid off)		
c)	Suman Capital A/c Dr	30000	
	Rajan Capital A/c Dr	10000	
	To Profit and Loss A/c		40000
	(Being debit balance in P&L A/c distributed among partners)		
d)	Realization A/c Dr	12000	
	To Suman Capital A/c		9000
	To Rajan Capital A/c		3000

14	a)	Bank A/c Dr	140000	
		To Realization A/c		140000
		(Being part amount received on settlement of creditors)		
	b)	No entry for liability settled againt asset		
	c)	Realization A/c Dr To Bank A/c	45000	45000
		(Being amount paid to creditors)		13000

d)	Lal Capital A/c	4500	
	Pal Capital A/c	10500	
	To Profit and Loss A/c		15000
	(Being loss on dissolution distributed among the partners)		

a)	Realization A/c Dr	2500	
	To Bank A/c		2500
	(Being amount paid to Bank on dishonour of BR)		
	Bank A/c Dr	1250	
	To Realization A/c		1250
	(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 unrecor	rded 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	50000	50000
	(Being contingent liability paid by Shiv)		30000

	Note: Contingent Liability is an unrecorded liability		
c)	Realization A/c Dr To Bank A/c	10000	10000
	(Being compensation paid to workmen)		
d)	Realization A/c Dr To Bank A/c	3500	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 To Realization A/c	125000	125000	
		(Being stock sold)			
	b)	Bank A/c Dr To Realization A/c	205000	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 (Being amount realized from sale of investment)	75000	75000
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 (Being amount paid to creditors)	10000	10000
	Realization A/c Dr To Bank A/c (Being amount paid to creditors)	72000	72000
	Note: Part 1 Part 2 Total creditors 160000 160000 Half Value 80000 8000 Less - Discount given 16000 800 Less - Stock taken 54000		

Balance	paid	in	cash
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-			-
a)	Realization A/c Dr	12000	
	To Dharam Capital A/c		12000
	(Being remuneration paid to Dharam for realization Expenses)		
(b)		15000	
			15000
	(Being remuneration paid to Jay for realization Expenses)		
	Jay Capital A/c Dr	16000	
			16000
	(Being actual realization expenses paid by Vijay)		
	OR		
	Combined Single Entry		
	Realization A/c Dr	15000	
	Jay Capital A/c Dr	1000	
	To Vijay Capital A/c		16000
	(Being realization expenses)		
c)	Realization A/c Dr	7000	
			7000
	(Being remuneration paid to Deepa for realization Expenses)		
	a) b)	To Dharam Capital A/c (Being remuneration paid to Dharam for realization Expenses) b) Realization A/c Dr To Jay Capital A/c (Being remuneration paid to Jay for realization Expenses) Jay Capital A/c Dr To Vijay Capital A/c (Being actual realization expenses paid by Vijay) OR Combined Single Entry Realization A/c Dr Jay Capital A/c Dr To Vijay Capital A/c (Being realization expenses) c) Realization A/c Dr To Deepa Capital A/c	To Dharam Capital A/c (Being remuneration paid to Dharam for realization Expenses) b) Realization A/c Dr To Jay Capital A/c (Being remuneration paid to Jay for realization Expenses) Jay Capital A/c Dr To Vijay Capital A/c (Being actual realization expenses paid by Vijay) OR Combined Single Entry Realization A/c Dr To Vijay Capital A/c (Being realization expenses) c) Realization A/c Dr To Deepa Capital A/c

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

	When amount paid by Jeev then no entry required in firms books		
	Jeev Capital A/c Dr	12000	
	To Cash A/c		12000
	(Drawings by Jeev)		
	OR		
	Combined Single Entry		
	Realization A/c Dr	10000	
	Jeev Capital A/c Dr	2000	
	To Cash A/c		12000
	(Being realization expenses)		
f)	No Entry		
	Understand how entries get set off against each other		
	Debtor agreed to pay Rs 7800. This means he will be paying only		
	Rs 7800 and not Rs 8000		
	Realization A/c Dr	7800	
	To Bank A/c		7800
	(If firm pay realization expenses then this is the entry)		
	Bank A/c Dr	7800	
	To Realization A/c		7800
	(Being amount realized from Debtor)		

18

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

19 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	200000
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 183 Rajesh Capital A/c 122			
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 Rajesh	96500 24000	
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 invetsment so this will be transferred to Realization A/c

20 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)