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a)	Realization A/c Dr.. To Sundry Debtors A/c To Stock A/c To Fixed Assets A/c (Being assets transferred to realization A/c)	1205000	195000 300000 710000
b)	Provision for bad Debts A/c Dr.. Creditors A/c Dr.. To Realization A/c (Being Liabilities transferred to realization A/c)	5000 200000	205000
c)	Bank A/c Dr.. To Realization A/c Note : Fixed Assets To Stock A/c To Debtors A/c (Being Amount realized from sale of assets)	1149000	1149000 675000 339000 135000
d)	Realization A/c Dr..	185000	

	To Bank A/c (Being creditors paid)		185000
e)	Realization A/c Dr.. To Bank A/c (Being realization expenses)	19000	19000
f)	A's Capital A/c B's Capital A/c C's Capital A/c To Realization A/c (Being loss on realization transferred to capital A/c)	22000 22000 11000	55000
g)	A's Capital A/c B's Capital A/c C's Capital A/c To Bank A/c (Being final payment made to partners)	728000 278000 239000	1245000

Working Note :

Realization A/c			
Particulars	Amount	Particulars	Amount
To Sundry Debtors	195000	By Prov for Bad Debts	5000
To Stock	300000	By Creditors	200000
To Fixed Assets	710000		

		By Bank		
To Bank A/c - Creditors	185000	Debtors	135000	
To Bank A/c - Realization Exp	19000	Stock	339000	
		Fixed Assets	675000	1149000
		By Loss on realization transferred :		
		A's Capital A/c	22000	
		B's Capital A/c	22000	
		C's Capital A/c	11000	55000
Total	1409000	Total	1409000	

Partners Capital A/c							
Particulars	A	B	C	Particulars	A	B	C
To Realization A/c-Loss	22000	22000	11000	By Balance B/d	750000	300000	250000
To Bank A/c	728000	278000	239000				
Total	750000	300000	250000	Total	750000	300000	250000

Bank A/c			
Particulars	Amount	Particulars	Amount
To Balance B/d	300000	By Realization A/c - Creditors	185000
		By Realization A/c - Realization Exp	19000
To Realization A/c	1149000	By Partner Capital A/c	
		A	728000
		B	278000
		C	239000
			1245000
Total	1449000	Total	1449000

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a)	Realization A/c Dr..	920000	
	To Land and Buildings A/c		400000
	To Machinery A/c		300000
	To Debtors A/c		220000
	(Being assets transferred to realization A/c)		
b)	Creditors A/c Dr..	179000	
	Employees Provident Fund A/c Dr..	21000	
	To Realization A/c		200000
	(Being Liabilities transferred to realization A/c)		
c)	Bank A/c Dr..	681000	

		To Realization A/c			681000
		(Being Amount realized from sale of assets)			
		Note :			
		Land and Building			430000
		Bad Debts Recovered			1000
		Debtors			225000
		Unrecorded Investment			25000
		(Being Amount realized from sale of assets)			
d)	Realization A/c	Dr..	196000		
		To Bank A/c		196000	
		(Being liabilities paid)			
		Note :			
	Creditors	50%	89500	85500	(50% creditors paid Rs 4k less)
	Creditors	50%	89500	89500	(50% creditors paid full)
	Employees Provident Fund		21000		
e)	Bank A/c	Dr..	280000		
		To Realization A/c		280000	
		(Being Machinery taken over by Vichal for cash)			
f)	Realization A/c	Dr..	43000		
		To Achal Capital A/c		16125	
		To Vichal Capital A/c		26875	
		(Being realization profit transferred to capital A/c)			

g)	Achal Capital A/c	316125	
	Vichal Capital A/c	526875	
	To Bank A/c		843000
	(Being final payment made to partners)		

Working Note :

Realization A/c

Particulars	Amount	Particulars	Amount
To Land and Building	400000	By Creditors	179000
To Machinery	300000	By Employees Provident Fund	21000
To Debtors	222000		
		By Bank	
To Bank A/c -	196000	Land and Building	430000
Creditors	175000	Debtors	225000
EPF	21000	Bad Debts Written off (Rec)	1000
		Unrecorded investment	25000
			681000
		By Bank - Vichal took Machinery	280000
To Profit Transferred to :			
Achal Capital A/c	16125		
Vichal Capital A/c	26875		
	43000		

Total	1161000	Total	1161000

Partners Capital A/c

Particulars	Achal	Vichal	Particulars	Achal	Vichal
			By Balance B/d	300000	500000
			By Realization - Profit	16125	26875
To Bank A/c	316125	526875			
Total	316125	526875	Total	316125	526875

Bank A/c

Particulars	Amount	Particulars	Amount
To Balance B/d	78000	By Realization A/c-Liabilities Paid	196000
To Realization A/c-Sale of assets	681000	By Partner Capital A/c	
To Realization A/c-Machinery	280000	Ramesh	316125
		Umesh	526875
Total	1039000	Total	1039000

Realization A/c

Particulars	Amount	Particulars	Amount
To Building A/c	45000	By Creditors	14000
To Machinery	15000		
To Furniture	12000		
To Debtors	8000	By Bank	
To Stock	24000	Stock	22000
		Debtors	7500
To Bank A/c - Realization Exp	2500	Machinery	16000
To Bank A/c - Creditors	14000	Building	35000
			80500
		By Yale Capital A/c - Furniture	9000
		By Loan from Bale A/c (3000 - 2500)	500
		By Loss on realization transferred :	
		Bale Capital A/c	8250
		Yale Capital A/c	8250
			16500
Total	120500	Total	120500

Partners Capital A/c

Particulars	Bale	Yale	Particulars	Bale	Yale
To Realization A/c - Loss	8250	8250	By Balance B/d	50000	40000

To Realization A/c - Furniture		9000	By General Reserve	4000	4000
To Bank A/c	45750	26750			
Total	54000	44000	Total	54000	44000

Bank A/c

Particulars	Amount	Particulars	Amount
To Balance B/d	11000	By Realization A/c-Liabilities Paid	14000
		By Realization A/c-Realization Exp	2500
		By Loan from Bale	2500
To Realization A/c-Sale of assets	80500	By Partner Capital A/c	
		Bale	45750
		Yale	26750
			72500
Total	91500	Total	91500

Loan by Bale

Particulars	Amount	Particulars	Amount
To Bank A/c	2500	By Balance B/d	3000
To Realization A/c	500		

Total	3000	Total	3000

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Realization A/c

Particulars	Amount	Particulars	Amount
To Land	81000	By Bank Loan	20000
To Stock	56760	By Creditors	37000
To Debtors	18600	By Prov for Doubtful Debts	1200
To Shilpa Capital A/c - Bank Loan	20000	By Bank	
To Bank A/c - Realization Expenses A/c	1200	Stock	14000
To Bank A/c		Debtors	12300
Creditors	31000	Land	110000
			136300
		By Shilpa's Capital A/c - Stock	35000
To Profit on Realization Transferred			
Shilpa Capital A/c	10470		
Meena Capital A/c	6980		
Nanda Capital A/c	3490		
	20940		
Total	229500	Total	229500

Note :

1 Amount realized by Debtors

Debtors	Part 1	Part 2	Total
Book Value	10000	8600	18600
Amt Realized	8000	4300	12300

2 No entry required for unrecorded typewriter taken over by creditor

Partners Capital A/c

Particulars	Shilpa	Meena	Nanda	Particulars	Shilpa	Meena	Nanda
To Balance B/d			23000	By Balance B/d	80000	40000	
To Realization A/c -Stock	35000			By Realization A/c - Profit	10470	6980	3490
				By Realization A/c - Loan	20000		
				By General Reserve	6000	4000	2000
To Bank A/c	81470	50980		By Bank A/c			17510
Total	116470	50980	23000	Total	116470	50980	23000

Bank A/c

Particulars	Amount	Particulars	Amount
To Balance B/d	10840	By Realization A/c - Creditors	31000
		By Realization A/c - Realization Exp	1200
To Realization A/c-Assets	136300	By Partner Capital A/c	
		Shilpa	81470
To Partner Capital A/c - Nanda	17510	Meena	50980

			132450
Total	164650	Total	164650

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Realization A/c

Particulars	Amount	Particulars	Amount
To Stock	6000	By Creditors	38000
To Debtors	19000	By Loan by Mrs A	10000
To Furniture	4000		
To Plant	28000	By A's Capital A/c - Investments	8000
To Investments	10000		
		By Bank A/c	
To A's Capital A/c - Mrs A's Loan	10000	Stock	5000
To Bank A/c - Realization Exp	1600	Debtors	18500
To Bank A/c - Creditors	37000	Furniture	4500
		Plant	25000
			53000
		By Loss on realization transferred :	
		A's Capital A/c	3960
		B's Capital A/c	2640
			6600

Total	115600	Total	115600
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Partners Capital A/c

Particulars	A	B	Particulars	A	B
To Realization A/c - Loss	3960	2640	By Balance B/d	10000	8000
To Profit and Loss A/c	4500	3000	By Reserve	3000	2000
To Realization A/c - Investment	8000		By Realization A/c - Ms A's Loan	10000	
To Bank A/c	6540	4360			
Total	23000	10000	Total	23000	10000

Bank A/c

Particulars	Amount	Particulars	Amount
To Balance B/d	11500	By Realization A/c-Liabilities Paid	37000
		By Realization A/c-Realization Exp	1600
		By Loan by B	15000
To Realization A/c-Sale of assets	53000	By Partner Capital A/c	
		Ramesh	6540
		Umesh	4360
			10900
Total	64500	Total	64500

Realization A/c

Particulars	Amount	Particulars	Amount
To Stock A/c	19000	By Prov for Doubtful Debts	2000
To Sundry Debtors	42000	By Bills Payable	40000
To Building	40000	By Loan from Bank	30000
To Plant and Machinery	40000		
		By Bank A/c	
To Bank A/c		Stock	23400
Bills Payable	32000	Debtors	21000
Loan from Bank	30000	Building	36000
Electricity Bill	800	Plant and Machinery	36000
	62800		116400
To Bank Exp - Realization Exp	1250		
		By Loss on realization transferred :	
		A's Capital A/c	9250
		B's Capital A/c	5550
		C's Capital A/c	1850
			16650
Total	205050	Total	205050

Partners Capital A/c

Particulars	P	Q	R	Particulars	P	Q	R
				By Balance B/d	44000	36000	20000
To Realization A/c	9250	5550	1850	By General Reserve	5000	3000	1000

To Bank A/c	39750	33450	19150				
Total	49000	39000	21000	Total	49000	39000	21000

Bank A/c

Particulars	Amount	Particulars	Amount
To Balance B/d	40000	By Realization A/c - Liabilities	62800
To Realization A/c - Assets	116400	By Realization A/c - Realization Exp	1250
		By Partner Capital A/c	
		P	39750
		Q	33450
		R	19150
			92350
Total	156400	Total	156400

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Realization A/c

Particulars	Amount	Particulars	Amount
To Building	80000	By Creditors	88000
To Machinery	70000	By Bank Overdraft	50000
To Furniture	14000		
To Stock	20000	By Ashu Capital A/c - Building	95000

To Investments		60000	By Harish Capital A/c - Mach. And Furniture	80000
To Debtors		48000		
			By Ashu Capital A/c - Stock and Investments	48000
To Ashu Capital A/c - Creditor		88000	By Harish Capital A/c - Stock and Investments	32000
To Harish Capital A/c - Bank Overdraft		50000		
			By Cash A/c - Debtors	46000
To Cash A/c - Realization Exp		3000		
To Profit Transferred to :				
Ashu Capital A/c	3600			
Harish Capital A/c	2400	6000		
Total		439000	Total	439000

Partners Capital A/c

Particulars	Ashu	Harish	Particulars	Ashu	Harish
To Realization A/c - Building	95000		By Balance B/d	108000	54000
To Realization A/c - Mach.&Furn.		80000	By Realization - Profit	3600	2400
To Realization A/c - Stock&Inv.	48000	32000	By Realization - Liabilities	88000	50000
To Cash A/c	56600		By Cash A/c		5600

Total	199600	112000	Total	199600	112000
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Cash A/c

Particulars	Amount	Particulars	Amount
To Balance B/d	8000	By Realization A/c-Liabilities Paid	0
To Realization A/c-Sale of assets	46000	By Realization A/c-Realization Exp	3000
To Partner Capital A/c		By Partner Capital A/c	
Harish	5600	Ashu	56600
	5600		56600
Total	59600	Total	59600

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Realization A/c

Particulars	Amount	Particulars	Amount
To Stock	20100	By Creditors	50400
To Debtors	62600		
To Investments	16000	By A's Capital A/c - Investments	18000
To Furniture	6500		
To Building	23500	By Bank A/c	
		Fixed Assets	29700
To Bank A/c - Realization A/c	1300	Stock and Debtors	80000
To Bank A/c - Creditors	49600		109700
To Bank A/c - Dishonoured Bill	1500		

		By Loss on realization transferred :		
		A's Capital A/c	1000	
		B's Capital A/c	1000	
		C's Capital A/c	1000	3000
Total	181100	Total	181100	

Partners Capital A/c

Particulars	A	B	C	Particulars	A	B	C
To Realization A/c-Loss	1000	1000	1000	By Balance B/d	40000	25000	15000
To Loan to A	10000			By Reserve	4000	4000	4000
To Realization A/c-Inv	18000						
To Bank A/c	15000	28000	18000				
Total	44000	29000	19000	Total	44000	29000	19000

Bank A/c

Particulars	Amount	Particulars	Amount
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To Balance B/d	3700	By Realization - Realization Exp	1300
To Realization A/c-Assets	109700	By Realization - Creditors	49600
		By Realization - Dishonoured bill	1500
		By Partners Capital A/c	
		A	15000
		B	28000
		C	18000
			61000
Total	113400	Total	113400

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Realization A/c

Particulars	Amount	Particulars	Amount
To Investments	30000	By Prov for Doubtful Debts	4000
To Debtors	40000	By Creditors	40000
To Bills Receivable	33400	By Bills Payable	40000
		By Loan by Mrs Yogesh	42000
To Yogesh Capital A/c - Wife's Loan	42000	By Investment Fluctuation Reserve	8000
To Bank A/c		By Bank	
Creditors	39000	Debtors	30000
Bills Payable	39000	Bills Receivable	31730
	78000	Bad Debt Recovered	15000
To Naresh Capital A/c - Remuneration	10000	Unrecorded Asset	10000
			86730

To Profit Transferred to :			By Naresh Capital A/c - Investments	26000
Yogesh Capital A/c	6665			
Naresh Capital A/c	6665	13330		
Total		246730	Total	246730

Note :

Payment for Liabilities

Creditors Bills Payable

Book Value 40000 40000 $40000 \times 15/100 \times 2/12$

Discount Rate 15% 15%

Period (Months) 2 2

Discount Amount 1000 1000

Net Amount Paid 39000 39000

Partners Capital A/c

Particulars	Yogesh	Naresh	Particulars	Yogesh	Naresh
To Advertisement Suspence A/c	55300	55300	By Balance B/d	21000	21000
To Realization A/c - Investments		26000	By Realization A/c - Profit	6665	6665
			By Realization A/c - Wife's Loan	42000	
			By Realization A/c - Remuneration		10000

To Bank A/c	14365		By Naresh Loan A/c		43635
Total	69665	81300	Total	69665	81300

Bank A/c

Particulars	Amount	Particulars	Amount
To Balance B/d	6000	By Loan by Naresh (44000-43635)	365
To Realization A/c - Sundry Assets	86730	By Realization A/c - Sundry Liabilities	78000
		By Partner Capital A/c - Yogesh	14365
Total	92730	Total	92730

Loan By Naresh A/c

Particulars	Amount	Particulars	Amount
To Naresh Capital A/c	43635	By Balance B/d	44000
To Bank A/c	365		
Total	44000	Total	44000

Loan By Naresh A/c

Particulars	Amount	Particulars	Amount
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To Bank A/c	44000	By Balance B/d	44000
Total	44000	Total	44000

Note :

Normally the loan given by partner to firm is directly paid through bank A/c and is not transferred to capital A/c
But in this case there is debit balance in Naresh A/c after all adjustments
So instead of asking Narresh to pay the deficiency and then pay his loan,
The recovery for capital is directly made from his loan A/c
And the balance amount of loan Rs 365 is paid to him

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Realization A/c

Particulars	Amount	Particulars	Amount
To Stock	50000	By Creditors	40000
To Sundry Debtors	50000		
To Land and Building	57000	To Bank A/c	
		Land and Building	40000
To Bank A/c		Stock	30000
Liability for suit	15000	Debtors	42000
Creditors	40000		112000
To Bank A/c - Realization Exp	1200	By Michael Capital A/c - Car	20000
	55000		

To Michael Capital A/c - O/s Salary	20000	By Loss on realization transferred :		
		Michael's Capital A/c	30600	
		Jackson's Capital A/c	20400	
		John's Capital A/c	10200	61200
Total	233200	Total	233200	

Partners Capital A/c

Particulars	Michael	Jackson	John	Particulars	Michael	Jackson	John
To Realization A/c	30600	20400	10200	By Balance B/d	60000	40000	10000
To Profit and loss A/c	7500	5000	2500	By Workmen Comp	10500	7000	3500
To Advertisement Suspen	3000	2000	1000	By Realization A/c-Salary	20000		
To Realization A/c - Car	20000						
To Bank A/c	29400	19600		To Bank A/c			200
Total	90500	47000	13700	Total	90500	47000	13700

Bank A/c

Particulars	Amount	Particulars	Amount
To Balance B/d	3000	By Realization A/c - Assets	55000
To Realization A/c - Liabilities	112000	By Realization A/c - Expenses	1200
		By Loan by Michael	10000
To Partner Capital A/c		By Partners Capital A/c	
John	200	Michael	29400
		Jackson	19600
			49000
Total	115200	Total	115200