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# B. com part I

## Financial Accounts Chapter - Dissolution of Firm

Numerical Exercise (6) S.M. Shukla

By ~~Dr~~ S  
Dr S.N. Pathan Deptt of Commerce  
R.N.E. Hajipur.

### Question.

Partnership Firm of X, Y & Z was dissolved.  
Its Balance Sheet as at 31 Dec 2018 was as follows

Capital and Liabilities		Amount	Assets		Amount
Sundry Creditors		7,000	Machinery		20,000
Outstanding Expenses		1,000	Stock		17,000
Reserve		2,000	Debtors		15,000
Capitals			Bank		2,000
X	18,000				
Y	15,000				
Z	10,000				
		43,000			
		<u>54,000</u>			<u>54,000</u>

X, Y & Z were sharing profit and losses as 5:3:2. Machinery is sold for Rs 15,000, Stock for Rs 18,000. In addition, stock worth Rs 2,000 taken over by X, debts realised 11,000, creditors were paid 7,000 in full.

Settlement. Rs 1000 Realised as Expenses.  
 Prepare Realisation Account, Partners Capital  
 Account and Bank A/c.

Ans.

Realisation A/c

Particulars	Amount	Particulars	Amount
To Sundry Assets:		By Sundry liabilities	
Machine —	20000	o/s expen <sup>8000</sup> <sub>1000</sub>	9000
Stock —	17000		
Debtors —	15000	By Cash Assets	
" Cash — (credit)	7000	Realised	44000
" Cash (out exp)	1000	" X Capital (Share)	9000
" Cash (Expenses)	1000	" Capital	
		X — 3000	6000
		Y — 1800	
		Z — 1200	
	<u>61000</u>		<u>61000</u>

Partners Capital A/c

Particulars	X	Y	Z	Particulars	X	Y	Z
To Realisation	3000	1800	1200	By Balance	18000	15000	10000
" Realisation	2000	—	—	" Reserve	1000	600	400
" Cash —	14000	13800	9200		1	1	1
	<u>19000</u>	<u>15600</u>	<u>10400</u>		<u>19000</u>	<u>15600</u>	<u>10400</u>

Balance — ce.

To Balance m/d	2000
" Realisation	44000
	<u>46000</u>

By Realisation	8000
Realisation	1000
X	4000
Y	13800
Z	9200