

20.5.20

Financial Accounts
B. Com Part I
By
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Question.

A, B and C are partners sharing profit in the ratio of 2:2:1. Their Balance sheet as on 31 March 2019. The date of dissolution was as follows

Liabilities		Amount	Assets		Amount
Capitals :-			Fixed Assets		21000
A		7000	Current Assets		2000
B		3000	C Current A/c		3000
C		1000			
Current A/c		2000			
A		1000			
B		2000			
General Reserve		10000			
Creditors					
		<u>26000</u>			<u>26000</u>

All the Assets, lessing Rs 500 out of Current Assets which constituted Bank balance realised 8000. C is unable to bring any thing and is declared insolvent. On the date of dissolution it was found that a contingent liability in respect of a Bill discounted Rs 800 has matured and the firm recovered on Rs 200 from the acceptor of the bill. This is not included in Rs 8000 above. Realisation expenses amounted to Rs 100.

Prepare ledger Accounts to close the book of the firm according to Garner vs Murray Rules.



Ans.

Realisation A/c

To Sundry Assets:		By Credits	
Fixed	21 000	" Bank -	10 000
Current -	15 00	Assets Realised	
		Received from	8 000
		Acceptors -	200
			<u>8 200</u>
To Bank		By Loss transferred	
Creditor 10 000		to	
Expenses 1 00		A Current ac	6 080
Contingent Liability 800	10 900	B -	6 080
		C -	3 040
			<u>33 400</u>
	<u>33 400</u>		

Current ac.

To Bal B/d 3 000		By General Reser. 400	
" Realisation Loss 3 040		" Capital A/c -	5 640
		(Balance figure)	
			<u>6 040</u>
	<u>6 040</u>		

C Capital A/c

To C Current ac. 5 640		By Balance B/d 1 000	
		" A Capital ac -	3 248
		" B Capital. 1 392	
		Contribution in	
		the ratio of 7:3	
			<u>5 640</u>
	<u>5 640</u>		

Current A/c

Particulars	Current A/c		Particulars	Current A/c	
	A	B		A	B
To Realisation	6 080	6 080	By Bal B/d	2 000	1 000
" Transferred to Capital ac -	2 800	1 800	" General Reser.	800	800
			" Bank -	6 080	6 080
	<u>8 880</u>	<u>7 880</u>		<u>8 880</u>	<u>7 880</u>

Capital A/c

Particulars	A	B	Particulars	A	B
To C Capital	5248	1392	By Balance b/d	7000	3000
" Balance A/c	6552	3408	" Current a/c	2800	1800
	<u>9800</u>	<u>4800</u>		<u>9800</u>	<u>4800</u>

Balance c/d

To Bal b/d	500	By Realisation	10900
" Realisation	2200	" A - Capital	6552
A Current	6080	B	3408
B	6080		
	<u>20860</u>		<u>20860</u>