

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		1000			
General Reserve		2000			
creditors		10000			
		<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:			
Fixed	21000	By Credits:	
Current	1500	" Bank -	10000
To Bank		Assets Realised	
Creditor 10000		Received from	8000
Expenses 100		" Acceptors	200
Contingent Liability 800	10900	By Loss transferred	
		to	
		A Current ac	6080
		B -	6080
		C -	3040
	<u>33400</u>		<u>33400</u>

		Current ac.	
To Bal B/d	3000	By General Reser.	400
" Realisation Loss	3040	" Capital A/c	5640
	<u>6040</u>	(Balance figure)	
			<u>6040</u>

		C Capital A/c	
To C Current ac.	5640	By Balance B/d	1000
		" A Capital A/c	3248
		" B Capital	1392
		Contribution in	
		the ratio of 7:3)	
	<u>5640</u>		<u>5640</u>

Current A/c					
Particulars	A	B	Particulars	A	B
To Realisation	6080	6080	By Bal B/d	2000	1000
" Transferred to Capital A/c	2800	1800	" General Reser.	800	800
			" Bank	6080	6080
	<u>8880</u>	<u>7880</u>		<u>8880</u>	<u>7880</u>

Capital A/c

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