


 <p>Click on the logo to visit the website</p>	<p>Session 2018-19 Main Series-03</p>	<p>Q-15*</p>	 <p>Click on logo to visit our Channel</p>
---	---	--------------	---

JOURNAL

Date	Particulars	L.F.	Debit (Rs.)	Credit (Rs.)
	Bank Account.....Dr To Govind's Capital A/c To Premium For Goodwill A/c (4,00,000 X 1/5) (Capital & premium for goodwill brought in by incoming partner Govind)		4,80,000	4,00,000 80,000
	Premium For Goodwill A/c.....Dr Ramesh's Current A/c.....Dr To Mahesh's Current A/c To Suresh's Current A/c (Adjustment entry passed for premium for goodwill)		80,000 10,000	70,000 20,000

Calculation of New Profit-Sharing Ratio

Partner	Old Share	New Share	Sacrifice/(Gain)
Ramesh	$\frac{3}{8}$	$\frac{2}{5}$	$\frac{3}{8} - \frac{2}{5} = \frac{15-16}{40} = -\frac{1}{40}$
Mahesh	$\frac{3}{8}$	$\frac{1}{5}$	$\frac{3}{8} - \frac{1}{5} = \frac{15-8}{40} = \frac{7}{40}$
Suresh	$\frac{2}{8}$	$\frac{1}{5}$	$\frac{2}{8} - \frac{1}{5} = \frac{10-8}{40} = \frac{2}{40}$
Govind		$\frac{1}{5}$	

 Click on the logo to visit the website	Session 2018-19 Main Series-03	Q-15*	 Click on logo to visit our Channel
--	--------------------------------------	-------	--

**Calculation of Goodwill of the Firm on Govind's admission**

	Net worth of New Firm on the basis of capital brought in by Govind Rs. 4,00,000 X 5	20,00,000
	<b>Less:</b>	
	Net worth (excluding goodwill) of the new firm  Adjusted capital of old partners + Capital of incoming partner = 5,00,000 + 4,00,000 + 3,00,000 + 4,00,000	16,00,000
	<b>Hidden Goodwill of the Firm</b>	<b>4,00,000</b>
	<b>Govind's share of Goodwill</b> $4,00,000 \times \frac{1}{5}$	<b>80,000</b>
	<b>Ramesh's share of Goodwill</b> $4,00,000 \times \frac{1}{40}$	<b>10,000</b>

