

Q-17\*



# **Revaluation Account**

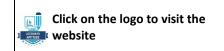
Debit

Particulars		Amount (Rs.)	Particulars		Amount (Rs.)
		(KS.)			(RS.)
To Stock		3,000	By Building		20,000
To Provision for Doubtful Debts		400			
To Furniture		2,000			
To Profit Transferred to		7			
A's Capital A/c	8,760				
B's Capital A/c	5,840	14,600			
	Total	20,000		Total	20,000

# **Partners' Capital Account**

Debit

DCDIC							Orcuit
Particulars	A (Rs.)	B (Rs.)	C (Rs.)	Particulars Particulars	A (Rs.)	B (Rs.)	C (Rs.)
To Balance c/d	1,60,000	96,000	64,000	By Balance b/d	1,04,000	52,000	-
		*		By Workmen' Compensation Fund	6,000	4,000	-
			* *	By Contingency Reserve	6,000	4,000	-



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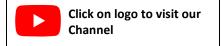
<b>Particulars</b>	A (Rs.)	B (Rs.)	C (Rs.)	Particulars	A (Rs.)	B (Rs.)	C (Rs.)
				By Cash	-	-	64,000
				By Premium for Goodwill	7,500	7,500	-
				By Revaluation (Profit)	8,760	5,840	-
				By Cash A/c (Balancing figure)	27,740	22,660	-
	1,60,000	96,000	64,000		1,60,000	96,000	64,000

# **Cash Account**

Debit Credit

Particulars		Amount	Particulars		Amount
		(Rs.)			(Rs.)
To Balance b/d		8,000	By Balance c/d		1,37,400
To C's Capital		64,000	TUDE		
To Premium for Goodwill	*	15,000	X		
To A's Capital A/c		22,740	X X /		
To B's Capital A/c		22,660	* *		
	Total	1,37,400		Total	1,37,400

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#### **Balance Sheet**

as at 31st March, 2018

Debit			Credit
Liabilities	Amount (Rs.)	Assets	Amount (Rs.)
Creditors	1,54,000	Stock	57,000
Employees' Provident Fund Capital A/cs	16,000	Debtors 37,600 Less:- Provision for Doubtful (2,000) Debts	35,600
A 1,60,00 B 96,00 C 64,00	0	Furniture Building	18,000 1,60,000
		Prepaid Insurance	6,000
	ACCO	Plant and Machinery	76,000
		Cash	1,37,400
Tota	4,90,000	UDE Total	4,90,000

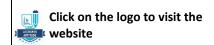
### **Working Notes**

# 1. Calculation of Sacrificing Ratio

A's sacrifice = 
$$\frac{3}{5} - \frac{5}{10} = \frac{6-5}{10} = \frac{1}{10}$$
;

B's sacrifice = 
$$\frac{2}{5} - \frac{3}{10} = \frac{4-3}{10} = \frac{1}{10}$$

Sacrificing ratio = 1:1



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2.  $\frac{2}{10}$ th share capital = Rs. 64,000

Firm's capital = 64,000 x 
$$\frac{10}{2}$$
 = Rs. 3,20,000

A's new capital = 3,20,000 x 
$$\frac{5}{10}$$
 = Rs. 1,60,000

B's new capital = 3,20,000 x 
$$\frac{3}{10}$$
 = Rs. 96,000

