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Revaluation Account

Debit		Credit	
Particulars	Amount (Rs.)	Particulars	Amount (Rs.)
To Provision for doubtful debts	7,000	By Plant & Machinery A/c	20,000
To Furniture A/c	3,000		
To Profit transferred to:			
To Akul's Capital A/c	4,000		
To Bakul's Capital A/c	4,000		
To Chandan's Capital A/c	<u>2,000</u>		
	10,000		
Total	20,000	Total	20,000

Partners' Capital Accounts

Debit				Credit			
Particulars	Akul	Bakul	Chandan	Particulars	Akul	Bakul	Chandan
To Bakul's Capital A/c	80,000	-	40,000	By Balance b/d	1,60,000	1,20,000	92,000
To Bakul's Loan A/c	-	2,52,000	-	By General Reserve	8,000	8,000	4,000
To Cash A/c	-	-	8,000	By Akul's Capital A/c	-	80,000	-
To Balance c/d	1,00,000	-	50,000	By Chandan's Capital A/c	-	40,000	-
				By Revaluation (Profit)	4,000	4,000	2,000
				By Cash A/c	8,000	-	-
	1,80,000	2,52,000	98,000		1,80,000	2,52,000	98,000

Cash / Bank Account

Debit			Credit
Particulars	Amount (Rs.)	Particulars	Amount (Rs.)
To Balance b/d	42,000	By Chandan's Capital A/c	8,000
To Akul's Capital A/c	8,000	By Balance c/d	42,000
Total	50,000	Total	50,000

Balance Sheet as at ...

Debit			Credit
Liabilities	Amount (Rs.)	Assets	Amount (Rs.)
Sundry Creditors	45,000	Plant & Machinery	2,00,000
Employee Provident Fund	13,000	Debtors	60,000
Bakul's Loan A/c	2,52,000	Less: Provision for Doubtful Debts @ 15%	<u>(9,000)</u>
<u>Capitals:</u>		Furniture	87,000
Akul	1,00,000	Stock	80,000
Chandan	<u>50,000</u>	Cash at Bank	42,000
Total	4,60,000	Total	4,60,000



Working Notes

1. Plant & Machinery (Original Value) = $1,80,000 \times \frac{100}{90}$ = Rs. 2,00,000

2. Firm's Goodwill = Rs. 3,00,000

Bakul's share of Goodwill = $Rs. 3,00,000 \times \frac{2}{5}$ = Rs. 1,20,000 to be contributed by Akul and Chandan on the ratio 2:1 (i.e. Rs. 80,000 and Rs. 40,000)

3. Akul's Capital after adjustment = Rs. 92,000
Chandan's Capital after adjustment = Rs. 58,000
Rs. 1,50,000

Akul's New Capital = $Rs. 1,50,000 \times \frac{2}{3}$ = Rs. 1,00,000 - 92,000 = Rs. 8,000 cash brought in

Chandan's New Capital = $Rs. 1,50,000 \times \frac{1}{3}$ = Rs. 50,000 - 58,000 = Rs. 8,000 cash withdrew