

# Session 2019-20 Main Series-05

Q-17



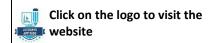
# **Veena's Capital Account**

Debit

Date	Particulars	Amount (Rs.)	Date	Particulars	Amount (Rs.)
01.06.2019	To Bank A/c	15,000	01.04.2019	By Balance b/d	75,000
30.06.2019	To Veena's Executor's A/c	1,66,250	30.06.2019	By General Reserve A/c (30,000 X 1/3)	10,000
			30.06.2019	By Salary A/c (25,000 X 3/12)	6,250
			30.06.2019	By Profit & Loss Suspense A/c	10,000
		ACCO	INTS	By Keith's Capital A/c	40,000
		ADTI		By Bina's Capital A/c	40,000
	Total	1,81,250	UDE	Total	1,81,250

# **Working Notes:**

- 1. Profit Sharing Ratio of Keith, Bina & Veena = 1:1:1
- 2. Gaining Ratio of Keith & Bina = 1:1



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# 3. Veena's Share in estimated profits

- a. Firm's Average profit =  $(1,20,000 + 90,000 + 1,50,000) \times 1/3 = \text{Rs.} 1,20,000$
- b. Firm's Estimated Profit till date of Veena's death = 1,20,000 X 3/12 = Rs. 30,000
- c. Veena's share in Firm's estimated profits =  $30,000 \times 1/3 = Rs. 10,000$

# 4. Veena's share of Goodwill

- a. Firm's goodwill = Rs. 2,40,000
- b. Veena's share in goodwill =  $2,40,000 \times 1/3 = Rs. 80,000$
- c. Keith's Contribution =  $80,000 \times 1/2 = \text{Rs. } 40,000$
- d. Bina's Contribution =  $80,000 \times 1/2 = Rs. 40,000$

