

Session 2019-20 Compartment

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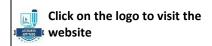
A's CAPITAL ACCOUNT

Dr. Cr.

Particulars	Amount (Rs.)	Particulars	Amount (Rs.)
To A's Executors A/c	1,02,300	By Balance b/d	60,000
		By General Reserve	12,000
	1	By Interest on Capital	1,800
		By P&L Suspense A/c	7,500
		By B's Capital A/c	9,000
		By C's Capital A/c	12,000
Total	1,02,300	Total	1,02,300

Working Notes:

- 1. Profit Sharing Ratio of A, B & C = 3:3:4
- 2. Gaining Ratio of B & C = 3:4
- 3. A's Share in estimated profits
 - a. Firm's Average profit = Rs. 50,000
 - b. Firm's Estimated Profit till date of A's death = 50,000 X 6/12 = Rs. 25,000
 - c. A's share in Firm's estimated profits = $25,000 \times 3/10 = Rs. 7,500$



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4. A's share of Goodwill

- a. Firm's goodwill = Rs. $35,000 \times 2 = Rs. 70,000$
- b. A's share in goodwill = $70,000 \times 3/10 = \text{Rs.} 21,000$
- c. B's Contribution = $21,000 \times 3/7 = \text{Rs.} 9,000$
- d. C's Contribution = $21,000 \times 4/7 = Rs. 12,000$