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PROFIT & LOSS APPROPRIATION ACCOUNT

for the year ended 31st March, 2020

Dr.	Particulars	Amount (Rs.)	Cr.	Amount (Rs.)
	To Profit transferred to:		By Profit & Loss A/c –	17,50,000
	W's Capital A/c	7,00,000	balance b/d	
	Less: Guarantee to X	(2,00,000)		
		5,00,000		
	X's Capital A/c	7,00,000		
	Add: Guaranteed Amount	3,00,000		
		10,00,000		
	Y's Capital A/c	3,50,000		
	Less: Guarantee to X	(1,00,000)		
		2,50,000		
	Total	17,50,000	Total	17,50,000

Working Note

Partner	Profit (2:2:1)	Guarantee	Deficit	Borne by (2:1)	Final Profit
W	7,00,000			(2,00,000)	5,00,000
X	7,00,000	10,00,000	3,00,000		10,00,000
Y	3,50,000			(1,00,000)	2,50,000