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JOURNAL

Date	Particulars	L.F.	Debit (Rs.)	Credit (Rs.)
	General Reserve A/c Dr. To Chintan's Capital A/c To Ayush's Capital A/c To Sudha's Capital A/c (Being General reserve distributed among the old partners in the old ratio)		20,000	10,000 6,000 4,000
	Bad debts A/c Dr. To Debtors A/c (Being Bad debts written off)		5,000	5,000
	Provision for bad debts A/c Dr. To Bad debts A/c (Being Bad debts met out of Provision for bad debts)		5,000	5,000
	Revaluation A/c Dr. To Provision for bad Debts A/c (Being Created Provision for bad debts)		2,750	2,750

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Date	Particulars	L.F.	Debit (Rs.)	Credit (Rs.)
	Ayush's Capital A/c Dr. Sudha's Capital A/c Dr. To Chintan's Capital A/c (Being Chintan's share of goodwill adjusted into the accounts of Ayush and Sudha)		30,000 20,000	50,000
	Stock A/c Dr. To Revaluation A/c (Being Stock revalued)		6,000	6,000
	Furniture A/c Dr. To Revaluation A/c (Being Furniture which was undervalued brought to its book value)		9,000	9,000
	Revaluation A/c Dr. To Workmen's Compensation Claim A/c (Being Liability for workmen's compensation created)		2,000	2,000
	Revaluation A/c Dr. To Chintan's Capital A/c To Ayush's Capital A/c To Sudha's Capital A/c (Being Gain on Revaluation credited to the old partners)		10,250	5,125 3,075 2,050

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Date	Particulars	L.F.	Debit (Rs.)	Credit (Rs.)
	Chintan's Capital A/c Dr.		1,55,125	
	To Bank A/c			20,000
	To Chintan's Loan A/c			1,35,125
	(Being Chintan paid Rs. 20,000 by cheque and the balance transferred to her loan account)			

Working Note

Existing Profit-Sharing ratio = 5:3:2

Gaining Ratio of Ayush & Sudha = 3:2

Firm's Goodwill = 1,00,000

Chintan's (retiring partner's) goodwill compensation = $1,00,000 \times \frac{5}{10} = 50,000$

Ayush's share in goodwill compensation = $50,000 \times \frac{3}{5} = 30,000$

Sudha's share in goodwill compensation = $50,000 \times \frac{2}{5} = 20,000$

Journal entry for goodwill

Particulars	Debit	Credit
Ayush's Capital A/c Dr.	30,000	
Sudha's Capital A/c Dr.	20,000	
To Chintan's Capital A/c		30,000
To Chintan's Capital A/c		20,000