

Session 2022-23 Main Zone-3, Set-1

Q-24\*



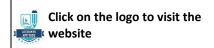
## **REVALUATION ACCOUNT**

Dr. Cr.

Particulars		Amount (Rs.)	Particulars	Amount (Rs.)
To Bad Debts A/c		10,000	By Land & Building A/c	1,23,000
To Provision for Doubtful Debts A/c		13,000		
To Profit transferred to Partners				
Capital A/c's:				
Anita	40,000			
Geeta	40,000	77		
Sita	20,000	1,00,000		
	Total	1,23,000	Total	1,23,000

Dr. PARTNERS' CAPITAL ACCOUNTS Cr.

Particulars	Anita	Geeta	Sita	Particulars	Anita	Geeta	Sita
	(Rs.)	(Rs.)	(Rs.)		(Rs.)	(Rs.)	(Rs.)
To Anita's Capital A/c	-	80,000	40,000	By Balance b/d	2,00,000	2,00,000	1,00,000
To Bank A/c	80,000	J-9	_	By General Reserve A/c	12,000	12,000	6,000
To Anita's Loan A/c	2,92,000	1	-	By Geeta's Capital A/c	80,000	-	-
To Balance c/d	-	1,72,000	86,000	By Sita's Capital A/c	40,000	_	-
				By Revaluation A/c	40,000	40,000	20,000
Total	3,72,200	2,52,000	1,26,000	Total	3,72,200	2,52,000	1,26,000



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## **Working Note**

Existing Profit-Sharing ratio = 2:2:1

Gaining Ratio of Geeta & Sita = 2:1

Firm's Goodwill = 3,00,000

Anita's (retiring partner's) goodwill compensation =  $3,00,000 \times 2/5 = 1,20,000$ 

Geeta's share in goodwill compensation =  $1,20,000 \times 2/3 = 80,000$ 

Sita's share in goodwill compensation =  $1,20,000 \times 1/3 = 40,000$ 

Journal entry for goodwill

Particualrs		Debit	Credit
Geeta's Capital A/c	Dr.	80,000	
Sita's Capital A/c	Dr.	40,000	5
To Anita's Capital A/c	The Control		80,000
To Anita's Capital A/c	A		40,000
To Anita's Capital A/c	- //	<del>PHIUDE</del>	40,00