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### 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		
Sita	20,000		
	1,00,000		
<b>Total</b>	<b>1,23,000</b>	<b>Total</b>	<b>1,23,000</b>

### PARTNERS' CAPITAL ACCOUNTS

Dr.				Cr.			
Particulars	Anita (Rs.)	Geeta (Rs.)	Sita (Rs.)	Particulars	Anita (Rs.)	Geeta (Rs.)	Sita (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	-	-	By General Reserve A/c	12,000	12,000	6,000
To Anita's Loan A/c	2,92,000	-	-	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
<b>Total</b>	<b>3,72,200</b>	<b>2,52,000</b>	<b>1,26,000</b>	<b>Total</b>	<b>3,72,200</b>	<b>2,52,000</b>	<b>1,26,000</b>



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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 =  $3,00,000 \times \frac{2}{5} = 1,20,000$

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

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

Journal entry for goodwill

Particulars		Debit	Credit
Geeta's Capital A/c	Dr.	80,000	
Sita's Capital A/c	Dr.	40,000	
To Anita's Capital A/c			80,000
To Anita's Capital A/c			40,000