
 Click on the logo to visit the website	Session 2022-23 Main Zone-5, Set-1	Q-24*	 Click on logo to visit our Channel
--	---------------------------------------	-------	--

REVALUATION ACCOUNT

Dr.		Cr.	
Particulars	Amount (Rs.)	Particulars	Amount (Rs.)
To Stock	10,000	By Creditors A/c	10,000
Total	10,000	Total	10,000

PARTNERS' CAPITAL ACCOUNT

Dr.				Cr.			
Particulars	Kamal (Rs.)	Rahul (Rs.)	Neeraj (Rs.)	Particulars	Kamal (Rs.)	Rahul (Rs.)	Neeraj (Rs.)
To Rahul's Capital A/c	75,000		30,000	By balance b/d	1,20,000	1,20,000	1,20,000
To Rahul's Loan A/c		2,61,000		By General Reserve A/c	60,000	36,000	24,000
To Cash A/c			54,000	By Kamal's Capital A/c		75,000	
To balance c/d	1,50,000		60,000	By Neeraj's Capital A/c		30,000	
				By Cash A/c	45,000		
Total	2,25,000	2,61,000	1,44,000	Total	2,25,000	2,61,000	1,44,000

Working Note

Existing Profit-Sharing ratio = 5:3:2

Gaining Ratio of Kamal & Neeraj = 5:2

Firm's Goodwill = 3,50,000

Rahul's (retiring partner's) goodwill compensation = $3,50,000 \times \frac{3}{10} = 1,05,000$

Kamal's share in goodwill compensation = $1,05,000 \times \frac{5}{7} = 75,000$

Neeraj's share in goodwill compensation = $1,05,000 \times \frac{2}{7} = 30,000$

Journal entry for goodwill

Particulars		Debit	Credit
Kamal's Capital A/c	Dr.	75,000	
Neeraj's Capital A/c	Dr.	30,000	
	To Rahul's Capital A/c		75,000
	To Rahul's Capital A/c		30,000