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Session 2022-23  
Sample

Q-20



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### JOURNAL

Date	Particulars	L.F.	Debit (Rs.)	Credit (Rs.)
01.04.2020	Nobita's Capital A/c To Doremon's Capital A/c (Being goodwill adjusted at the time of change in profit sharing ratio)	Dr.	26,667	26,667

#### Working Notes:

(i) Calculation of gaining ratio and sacrificing ratio:

$$\text{Doremon's gain or sacrifice} = \frac{3}{6} - \frac{2}{6} = \frac{1}{6} \text{ (sacrifice)}$$

$$\text{Shinchan's gain or sacrifice} = \frac{2}{6} - \frac{2}{6} = 0$$

$$\text{Nobita's gain or sacrifice} = \frac{1}{6} - \frac{2}{6} = -\frac{1}{6} \text{ (gain)}$$

### CALCULATION OF NORMAL PROFIT

Year Ended	Profit / Loss	Adjustments	Normal Profit
31.03.2019	50,000	-	50,000
31.03.2020	1,20,000	-	1,20,000
31.03.2021	1,80,000	-	1,80,000
31.03.2022	(70,000)	50,000 – 10,000	(30,000)
<b>Total</b>			<b>3,20,000</b>

#### Working Notes:

(ii) Calculation of goodwill

Goodwill = Average Profits X No. of years Purchase

Average Profits =  $\frac{\text{Total Normal Profits}}{\text{Number of years}}$

Rs. 3,20,000

=  $\frac{3,20,000}{4}$

= Rs. 80,000

Goodwill = Rs. 80,000 X 2 = Rs. 1,60,000

A's share of goodwill = Rs. 1,60,000 X  $\frac{1}{6}$  = **Rs. 26,667**