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Session 2022-23
Main
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Q-22



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SUDHIR'S CAPITAL ACCOUNT

Dr.		Cr.	
Particulars	Amount (Rs.)	Particulars	Amount (Rs.)
To Advertisement suspense A/c	48,000	By Balance b/d	1,60,000
To Sudhir's Executors A/c	3,49,800	By General Reserve A/c	40,000
		By Deepak's Capital A/c	1,20,000
		By Naveen's Capital A/c	60,000
		By Profit and Loss Suspense A/c	15,000
		By Interest on Capital A/c	2,800
Total	3,97,800	Total	3,97,800

Working Notes:

$$\begin{aligned} \text{Sudhir's share in Goodwill} &= \frac{2}{5} \times 1,80,000 \times \frac{5}{2} \\ &= \text{Rs. } 1,80,000 \end{aligned}$$

$$\begin{aligned} \text{Sudhir's share in profits till death} &= \frac{1,00,000 \times 1,50,000}{4,00,000} \times \frac{2}{5} \\ &= \text{Rs. } 15,000 \end{aligned}$$

$$\begin{aligned} \text{Interest on capital of Sudhir} &= 1,60,000 \times \frac{7}{100} \times \frac{3}{12} \\ &= \text{Rs. } 2,800 \end{aligned}$$